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The Washington Monthly

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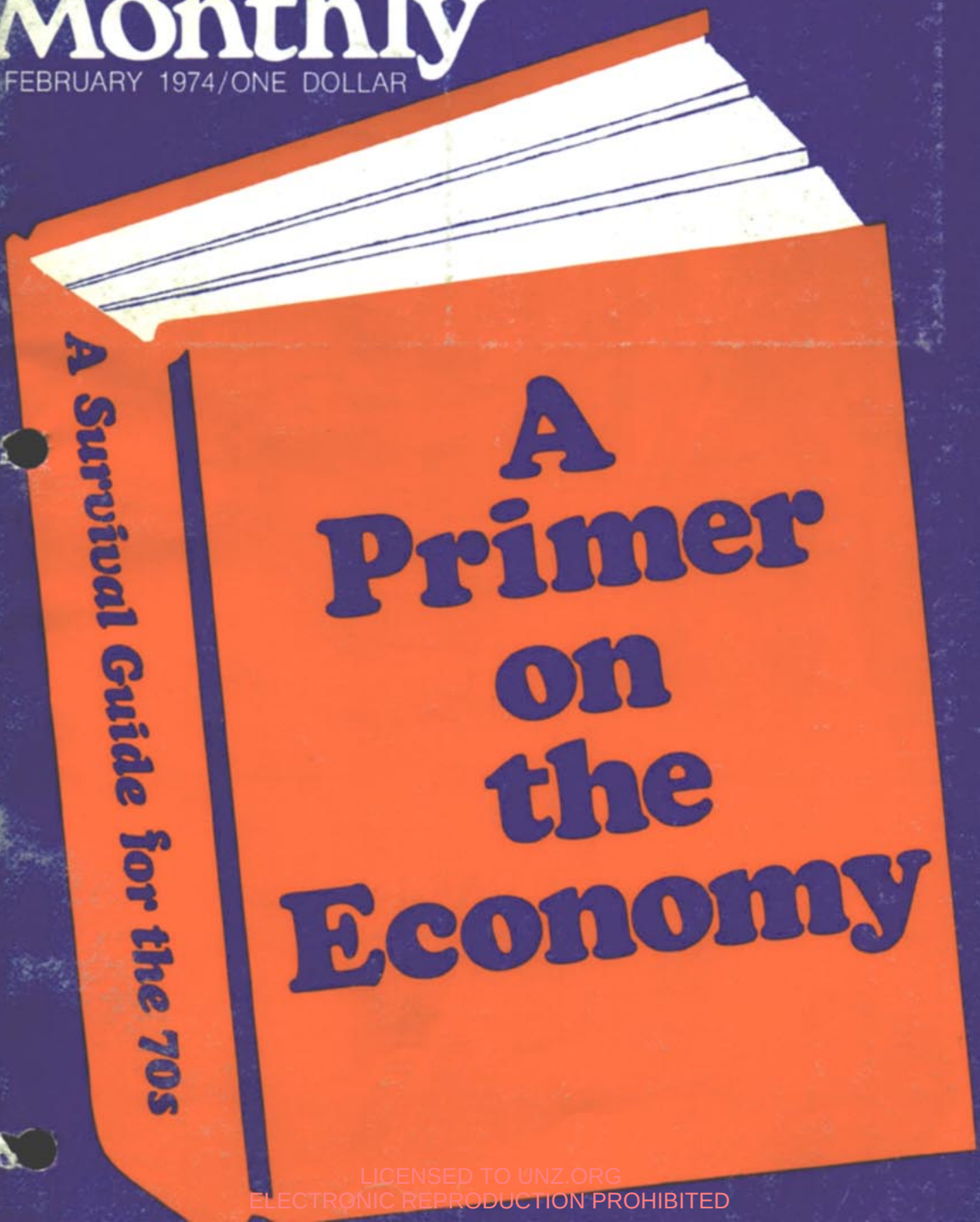

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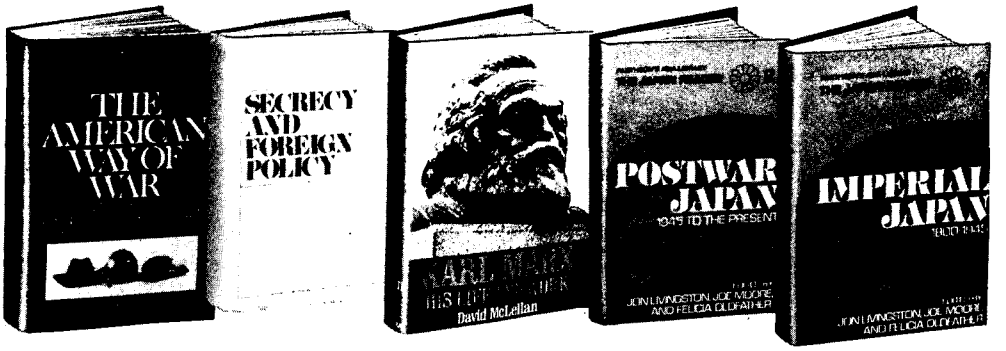

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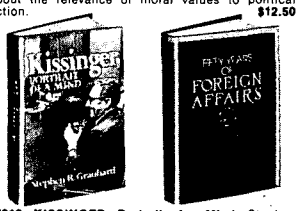

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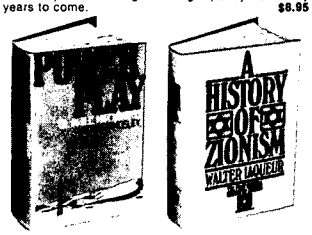

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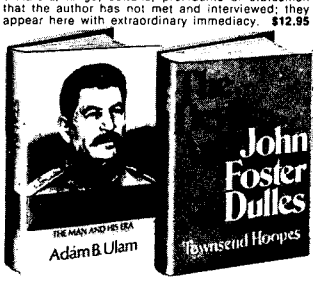

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Letters

More Moral Myopia: "The New York Review" and the New York Intellectuals

I have been so often refreshed by the workings of Suzannah Lessard's intelligence that it is embarrassing to comment on her now only when I am distressed by one weed in what is otherwise the garden of her works.

"Moral Myopia: 'The New York Review' and the New York Intellectuals" [November, 1973] starts in my mind these objections:

1) *The Washington Monthly* has attained a great part of its distinction by an admirable abstention from giving circulation to theories of conspiracy. It understands that, on most occasions, when anyone lists five persons as complicit, he gives the game away at once to pretty much anyone who knows the parties. I.e., Ehrlichman, Haldeman, Dean, Colson, same fellow at bottom, imputations of conspiracy, plausible if best left to grand juries. On the other hand, Podhoretz, Decter, Epstein, Silver, Howe, a wildly disparate crew, with just one marriage and no less than seven feuds among them, imputations of conspiracy so implausible as to be unworthy of critical attention. If Ms. Lessard can name me one writer since Faulkner these five join in admiring, let alone consort to cry up, she will surprise me inordinately. Take Chomsky, who I think deserves rather better than Ms. Lessard gives him: he gets a resounding yes from Silvers and Epstein, as thundering a no from Howe, Decter, and Podhoretz. *The Washington Monthly*, having been for so long so rich a source for my own Knucklehead Theory of History, is the one medium where I had last expected to find the poor old conspiracy theory flogged once again.

2) I have no comment on Kostelanetz, since I do not know his wrongs while being all too aware of the incapacity of his disposition to bear them with philosophy. What I do notice, however, is that Suzannah Lessard has considerable scorn for him. It seems to me a good rule not to quote a source unless you have genuine respect for it. Yet Ms. Lessard, having expressed the utmost contempt for Kostelanetz ("paranoid abandon," "personal rancor," "fallacies and distortions," etc.), then passes at length to a summary of his thesis. His quotes remain; they have their own authority; you have certified him as a witness, and he does in truth, if the judgment pronounced upon him by the prosecution itself is to be accepted, sound very much like the sort of witness who is served up in the average conspiracy trial.

3) I could hardly be unconscious of the institution of literary backscratching, having myself been quite often its beneficiary. I only wish that it served my purse as well as it has my feelings; I doubt if Ms. Lessard really believes that a kindly mention from *The New York Review* and an even kindlier silence from *Commentary* has established many literary fortunes. But very few critics especially enjoy writing severe reviews; the most venal thing most of them do is to pass over what seem to them the sins of their friends unremarked. My own experience is that books are generally reviewed with a kind of indifferent benevolence and, if anything, undeservedly praised. I pulled a trick once as a Book Award judge and must have read seriously into a hundred books all of which had been quite favorably received and a great many of which seemed to me appallingly shabby. One exception was David Halberstam's *The Best and the Brightest. The New York Review* had asked me to do it; I had spent about an hour with it and, candidly, I had the feeling that it might be hard for me to match my admiration of his work with my enthusiasm for David's person. I therefore begged off, which gave *The New York Review* a chance to get Mary McCarthy. Then I read the Halberstam book, found it absolutely marvelous, and, in my fixed opinion, the best contemporary work I read this year. Now I find Mary McCarthy's strictures on the subject cited in fairness by Ms. Lessard as evidence that Random House's rule over *The New York Review* doesn't invariably run. But then one trouble with conspiracy theories is that even the evidence that is brought in to refute them had its origin in accident more often than design.

4) Four of the five cited conspirators are

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persons towards whom I have the friendliest feelings and well-earned respect, and I am no neutral witness in their defense. My relations with Irving Howe are somewhat more ambiguous and I feel rather more freedom in protesting on his behalf. I could not imagine Howe as capable of belonging to any collective of names on earth except a real one made up of his children and some beautiful myth of a collective—some Debs Branch of the Brooklyn Socialist Party, 1936—whose members quite anonymously go about together in the streets and give out the literature. His honor is almost obscenely rigid; I wish I hadn't been so callous as not to be outraged for it when I read Ms. Lessard's piece, and I am grateful to him for reminding me to be.

MURRAY KEMPTON
New York, N.Y.

One recurring problem is that your letter-writers are talking about a book they have not read; thus their letters are filled with inexcusable presumptions, such as David Halberstam's assertion that "Kostelanetz," who has spent his entire professional life away from literary institutions, "wants to be Jason or Podhoretz." (Pound, yes; Podhoretz, no.) Perhaps my greatest frustration in drafting the book has been hearing descriptions of it (and its author) which were not only partial and/or inaccurate, but which could have been publicly refuted, *if only the book as a whole were available*. Intrinsic in the book-publishing process is a censoring power that, whether by intention or default, can wield an insidious impact.

Speaking of Halberstam, I know of no literary agent, no publishing editor, no experienced writer who would agree with his contention that, "There is almost no critical rejection process in books. If it comes in, is well-typed, has 301 pages, it gets printed." No, no, it doesn't, many times over, for many reasons (only some of which I discuss). In my own experience, a scandalously large number of publishers refused a book on literary politics in America, an interesting subject one would think, even though the manuscript was complete, its author scarcely a novice, portions had appeared prominently in literary journals, people were discussing it in conversation and even in print, and junior editors at several firms had supported its publication.

Halberstam also confuses the publishing power of James Silberman (as the chief of Random House) with literary power over public reception and critical opinion (e.g., Epstein, Podhoretz, and Howe). Otherwise, Halberstam's criticisms of the literary-industrial complex concur with my own. Had he actually read my book (as Suzannah Lessard did, in unedited manuscript), he might have said something else.

If Irving Howe intends to refute Lessard and myself, he would seem less pathetic if he provided better evidence than a hypothetical survey of a New York "cocktail party." Jason Epstein's highly personalized rejoinders consistently avoid the central issue, which is the integrity not of *The New York Review*'s writers but of the medium itself. Though Howe claims to differ with Epstein, their adjacent letters reveal how much they have in common, not only in literary political defensiveness but in virulent style.

Had Charles U. Daly, a vice-president of Harvard University, actually read *The End of Intelligent Writing*, he would have seen a critique of "intellectuals" who make seemingly authoritative comments on cultural works that they simply have not examined at first hand. However, since my book has not yet appeared, thanks to unfortunate production delays, one wonders how he can say that it is "mediocre." Though not familiar with "standards" at Harvard, I recently taught police at an urban university where, if a student judged a book he clearly had not read, he was usually flunked.

RICHARD KOSTELANETZ
New York, N. Y.

The author replies:

Kostelanetz pointed out something I thought was true—that the New York literary world is full of apparent conflicts-of-interest, of which the Random House-*New York Review* relationship is one of the more conspicuous—and I wanted to give him credit for doing so. At the same time, I disagreed with much of the rest of his book, including his Epstein-Podhoretz-Decter-Silvers-Howe grand conspiracy thesis. I wanted to make that clear, too, and I regret that it was not clear to every reader. I understand Murray Kempton's concern about my quoting a source I disagreed with, but the simple fact is that I would not have written the article if I had not read the Kostelanetz book. It would not have been fair to Kostelanetz if I had not disclosed that fact. It would not have been fair to our readers if I had not also attempted to disclose the extent of my disagreement with him.

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Kay, Otis and Newby

Congratulations on Walter Shapiro's fine article, "Kay, Otis, and Newby: They Sell Out, Too" [December, 1973], directed at a large sitting target. I would not want to take away from your pleasure in a job well done by pointing out that a lot of us have been raising hell over a long period with varying success, about the same conditions you deplore.

As onetime president of the National Association of Real Estate Editors, I intervened in the group's longtime acceptance of favors from large building organizations; NAREE stopped the practice, and so far as I know still maintains the resistance.

You are quite correct: the typical real estate editor is overworked, has far too much space to fill, and perforce falls back on handouts, puffery and other results of abnegated judgment.

The fault dear Brutus lies not in ourselves but, as you indicate, in management. The best reporters are crippled by the managerial circumstances you describe.

You should of course be aware of the fact that the kind of reporting you advocate (and which some of us have sought to practice) is among the most expensive of all journalistic undertakings. To round up the investigative story required takes at least five, and sometimes ten, times the reportorial time needed for the standard political story. There is *no single source*, no Mayor of the Environment; no Ombudsman for the Housing Market. Most cities are understudied, underanalyzed. "Housing Information" is often a jungle brokered among competing tigers, some jealous some conspiratorial. By comparison, political reporting is duck soup—you hit a few of the right sources, qualify their most damnable gaffes, and the story is done.

GRADY CLAY
Louisville, Ky.

Grady Clay is editor of Landscape Architecture.

I read your article with pleasure approaching glee. For four years, as architecture critic for the Boston *Globe*, I argued the same subject. My feeling was that real estate pages should be totally abolished; not necessarily, their content, but their approach and the title 'real estate.' I argued (in vain) that calling real estate pages, real estate. . . was like calling theater pages "Tickets." You were labeling the subject by its commercial appendage. Why not pick another name, first, like Land Use; Land Shape; Design—I had a dozen of them—and, then, change the calibre of the reporting on them.

Your point was well taken. It could have been made even more sharply: real estate pages are not only fellow sufferers in the back-of-the-book syndrome, they are behind the back of the book in terms of coddling their advertisers. After all, there is theater, art, film and music criticism even on the arts page. Obviously, my idea was somewhat self-serving: I had visions of some (i. e., my) judgmental words on architecture, planning, land use sitting beside the lavish space on behalf of condominiums, developments, etc. (I might say that the *Globe*'s real estate page is far superior to the ones you mentioned; however, it still suffers from the same biases.)

Alas, my points were applauded and tucked in the back drawer. I am now writing the architecture column for *The Nation, Building Design* (London) and other publications which are—as your article so ably pointed out—not the places where the average home-buyer, city-builder goes shopping.

JANE HOLTZ KAY
Brookline, Massachusetts

The editors reply:

Although the real estate sections are one of the most extreme examples of the back-of-the-book syndrome, they share the common characteristic of depending on advertising for their very existence. *The Washington Post* publisher Katharine Graham made this abundantly clear when she tried to justify the *Post*'s decision to kill their weekly supplement, *Book World*. In an interview with *Publishers' Weekly*, Mrs. Graham complained that "publishers said they had to give their advertising to *The New York Times* and we'd be lucky to feed off the crumbs from the table." If the same logic were applied to the *Post*'s news sections, coverage of President Nixon would depend on a steady flow of advertising from the Republican National Committee.

It is also interesting that just six weeks after the Washington *Star-News* real estate section ran their article touting Ocean Pines, the Department of Housing and Urban Development suspended land sales at the Boise-Cascade vacation community because of such shady practices as neglecting to inform buyers that lots were subject to flooding during rainstorms. Although the *Star-News* duly reported HUD's action in their regular news columns, on a rainy day this may be scant consolation for Ocean Pines residents who believed what they read in the real estate section.

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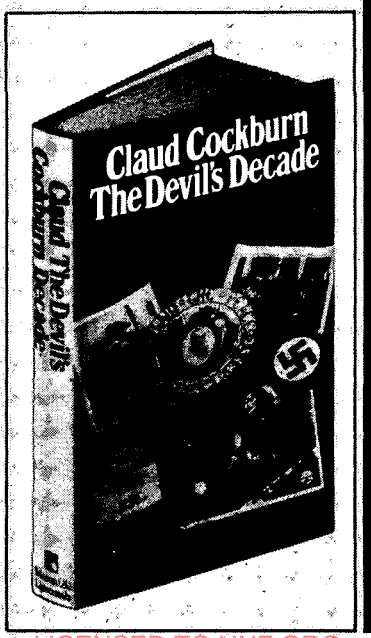

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A PRIMER ON THE ECONOMY

How We Can Survive the Seventies

by James Fallows

A chaos reigns over the economic scene, a chaos we all have been forced to notice. The monetary "crises" of years past we could leave to the speculators in Zurich; but now the intricacies of financial life are making themselves known in unexpected quarters. The economy has become the modern equivalent of a mystical force, disrupting lives and altering fortunes for reasons beyond anyone's knowing. Truck drivers and airline pilots, manufacturers of plywood and producers of plastic, find themselves out of work, and the cause is far away. The market in soybean futures and the international trade in oil need not have concerned us until the routines of daily life made their importance clear.

Beyond the cacophony of the experts we hear the worst diagnosis of all—that no one knows what has gone wrong. The American Economic Association held its annual convention last January, at the end of what had been a catastrophic 12 months for its seers. The hesitant tone of the pronouncements showed that the academics were not providing the answers. The new president, Walter Heller, said, "The energy crisis caught us with our parameters down. The food crisis caught us, too. There are too many things we really just don't know."

Contradictory action has grown from confused thought. The ill harvest of the Russian grain sale, and last summer's embargo on soybean exports, foreshadow to many experts the beginning of a world-wide war of the granaries, an era of agricultural chauvinism. Yet through most of 1973 agents from American food interests were knocking on doors in Frankfurt and Florence, trying to expand European markets for American produce. Contradictory diagnoses are reported, and with them conflict-

James Fallows is an editor of The Washington Monthly.

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ing prescriptions. From one side we hear voices of the Depression, preparing once more to roll out the tired John Maynard Keynes to keep us from massive unemployment. From the other side comes a voice of the premature future, warning that old theories will not hold. Two years ago the Club of Rome published *The Limits of Growth*; it predicted that we might soon know large-scale unemployment, but that the cause would not be the slack demand which Keynes had taught us to combat. Rather, our undoing would be the progressive depletion of the world's resources, and a surfeit of industrial pollutants. Now, the shortages have begun to appear in timber and pulpwood, in petrochemicals and phosphates, and on, in chain-reaction style, through all the products made from these raw ingredients. *Newsweek* carries a cover asking whether we are "Running Out of Everything"; for the first time in 40 years newspaper headlines announce panic lay-offs. There are long holidays in Detroit; furloughs on the airlines. By January more than a million were out of work in England, whose flickering lights and three-day weeks seemed to signify that the Club of Rome's ominous growth curves had lopped back on us sooner than anyone expected. Journals like *The New York Review of Books* have started asking new questions about the economy, including Jason Epstein's recent speculation that "certain limitations may now have been reached in the techniques by which the middle class has traditionally supported itself and its culture." He added:

> Even with unusually high levels of employment and production, the world-wide demand for goods continues to exceed the foreseeable supply and no prophet has yet argued convincingly that the situation will change. Though the world-wide industrial machine is running at nearly its full capacity, the result is not the much anticipated conquest of want; it is the threat of eventual depletion as goods of all kinds grow scarce.

This is an almost unimaginably far cry from the economic wisdom of a decade ago, when the war industries were defended as a means of propping up demand, and tax cuts and public spending were the planners' most important tools for coping with recession. From the Affluent Society we have come in the twinkling of an eye to an apparent Age of Malthus. How can the situation have reversed itself in so short a span of years—even years that encompassed the war and the devaluation of the dollar? What is happening?

How the Economy Grew

Two major trends have typified the development of the American economy during this century. One, of course, is the mechanization and automation of most productive activities. At the start of the century more than 65 per cent of the labor force was engaged in agriculture or other manufacturing work. Now only one in three workers is involved in directly "productive" work—four per cent in agriculture, six per cent in construction, and 23 per cent in manufacture. After World War II the United States became the first country ever to have more than half its work force employed in the "services" sector—that range of activities which includes enterprises as simple as barbershops and domestic servants, and as complex as education, transportation, and government.

As the services sector has risen from 60 to 66 per cent of the work force between 1960 and 1970, government has been by far the most rapidly expanding in the field. In 1960, 12 per cent of all American workers were on federal, state, or local government payrolls; by 1970 it was 16 per cent. The federal share of this total has remained roughly constant, at about four per cent of the entire work force. The enormous growth of state and local government accounted for the expansion of the public sector during

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the '60s, and it shows no signs of abating. The Bureau of Labor Statistics (BLS) estimates that state and local government will be the fastest-growing employment sectors throughout the rest of this decade.

Both as a cause and a consequence of the shift to the services economy, mechanical energy has been substituted for human energy on the production line. Throughout most of the past 25 years the nation has increased its productivity-per-man-hour by three or four per cent each year. This overall rate includes the service jobs where productivity growth is slow, so it implies a much higher rate of increase in the productive sectors themselves. As people have moved from the farms and assembly lines into the offices and the classrooms, those left behind have been equipped with bigger, more productive machines and the fuel to run them. To give one example of the results, a man in an aluminum factory can produce more metal each hour than a steelworker can. But 15 times as much energy is needed to produce one ton of aluminum as one ton of steel. Similarly, agriculture, which has witnessed the most dramatic drop in manpower, has just as dramatically increased its inputs of machinery and fuel: the amount of petroleum used on American farms increased by 5,000 per cent between 1920 and 1970.

The second distinguishing feature of the American economy has been its agglomeration into larger and larger units. Before the Civil War, about half the working people in this country were self-employed, the other half drawing wages and salaries from an employer. By 1950, according to the National Commission on Productivity, less than a quarter of the work force was self-employed, and the rate is now preparing to fall below 10 per cent.

But as more and more people sign on with institutions, the number of institutions to choose from is decreasing. Between 1962 and 1968, 110 companies in the *Fortune* 500 disappeared through mergers. The conglomeration movement of the mid-sixties—in which long-established corporations were swallowed by others for reasons that had almost nothing to do with efficiency—symbolizes the change, but if anything it understates its effects on the working force. *Fortune*'s reports on the nation's largest companies show that more than 6.35 million people work for the two dozen companies which employ more than 100,000 each (they range from the biggest, AT&T, to International Harvester and Goodyear). *Fortune*'s listings don't even include all the companies employing more than 10,000 people (and neither the BLS nor the Census Bureau calculates employment by business size), but the partial statistics show that *at least* 18.8 million people work for businesses of more than 10,000 employees. When this is combined with the 16 million people working for federal, state, and local governments, it means that 35 million of us, two out of every five who are employed, are working for institutions so large that we never get to know (or probably even see) all our fellow employees, so large that we cannot really identify our own personal achievement and reward with that of the company (as long as the company stays in business), so large that the appropriate symbol of the American ethic should be not Franklin or Lincoln or the Brothers Wright, but William White's organization man.

How It Grew Too Large

Much has been written over the years about these large institutions, especially about their political influence and their ability to mold consumers' minds. But most commentators, speaking in apprehensive tones about ITT or the oil moguls, have given the institutions more credit than they deserve. The most serious grounds for complaint against the modern corporation may not be its political power but its inefficient use of resources, most especially man-

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power.

Any economist can tell you that up to a certain point bulk equals efficiency. The more admiring views of the American corporations, which usually come from Herman Kahn or foreigners like Jean-Jacques Servan-Schreiber, usually emphasize those parts of the economy where the largest units are still the most efficient. IBM can run any of its European competitors into the ground because it's the only company with enough money to keep investing in new computers.

But the concept of "scale," which most economists understand only as it applies to peewee enterprises, has a ceiling, too. If 10,000 tons per day is the efficient size for steel plants, five plants of that size will probably turn out 50,000 tons more efficiently than one enlarged factory. This is not to deny that a specific company might find advantages in growing beyond the "efficient" size—it may have an easier time bending the government's ear if it speaks with the voice of an industrial giant, and it may dominate the market and eliminate its competition. But for those who are concerned—as all of us now have reason to be—about the most efficient use of resources, it is appropriate to speak of a "proper" size for industry. In most cases American companies have exceeded their proper size.

With increased size comes the need for numerous unproductive overhead activities. Marketing must know what Production is doing; coordinators have to be sure that the Parts division is sending enough raw material over to Assembly. There are public relations men to make sure the company is defended all along its expanding frontier, lawyers to keep the government satisfied, analysts and accountants do what the boss used to do at his desk, memo-writers and -readers, board meetings and planning sessions, and a lot of dead time in general.

It's like running a big city, or a big army, or a big office building; the more they grow, the more energy must be wasted on internal coordination. This couldn't be the whole story, however; if it were, cheap little companies would drive the big ones out of business as quickly as a fat boxer is run out of the ring by a fighter who is fit. But as the institutions have grown larger, they've become steadily more secure; the more they *need* memo-writers and PR departments, the more they're *able* to afford them. Many of our large private corporations have reached that special combination of size and security that permits them to stop being businesses and start being institutions. The pressures of the marketplace don't bear down so heavily when you and three of your competitors have a corner on the tire market—and they certainly don't bear down heavily enough that you have to dispense with the executive offices or the illustrated quarterly reports. When you were small you worried about survival and paid close attention to quality; now you are more interested in increasing size than improving quality. Even when these private institutions are not subsidized by the government (as Lockheed and Litton have been), most of them are run *like* the government. There is more in common between E. I. duPont and the U. S. Department of Agriculture (each employing 100,000-plus people) than between duPont and one of its smaller rivals, because duPont and USDA are both institutions, while some of the others are still enterprises.

The Case for Competition

The security that permits institutional behavior is the corporation's reward for growing large enough to dominate its particular market. This is a principle John Kenneth Galbraith and others gave us years ago, but like other familiar ideas its importance is often overlooked. The economist's yardstick for measuring monopoly is the "four-firm/50-percent" rule—that is, any industry in which four firms do more than 50 per cent of the business can be considered a monopolistic

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industry (or at least a "shared monopoly"). Virtually every major consumer product from chocolate bars to automobiles comes from a shared monopoly (agriculture is the last important exception, and it is changing fast). Most industrial raw materials (steel, chemicals, oil, etc.) also come from monopolistic suppliers.

Some attempts have been made to quantify the effect of this constellation of monopolies and cartels. In their book, *The Closed Enterprise System*, Mark Green and two other researchers working for Ralph Nader estimated that monopoly cost the country $60 billion in lost production each year. There is a common misapprehension about how this loss shows up. The Nader report put it, "When consumers pay excessive prices, income from the consuming public is redistributed to the shareholders of particular corporations."

That might be true if we were dealing with enterprises, but the monopoly companies are nearly all institutions and therefore subject to different ambitions and instincts. One provocative antitrust case shows why. The case involved manufacturers who had jacked up the prices of their folding chairs by 32 per cent. After the government ordered price competition reinstated, the prices fell once more by 32 per cent. But while the prices were inflated, the extra income showed up as only a nine per cent increase in profits. The rest disappeared inside the institution, where it supported extra people doing superfluous work.

The significance of this story is that institutional principles, and not some dusty remnants of capitalism, were directing the companies' behavior. This should not come as a surprise. Anyone who had ever observed two of the main rules of government agencies (When In Doubt Write A Memo; and Everybody Should Have An Assistant) might have been surprised that the shareholder's profit was as large as nine per cent. Unfortunately, an artificial division of specialties—"management" and business theory on the one hand, and "public administration" on the other—has prevented much of the best work on institutional behavior from being applied where it is needed—in the private sector. Critics have spent years demonstrating that the Defense Department's payroll could be halved without incurring a risk of invasion, or that any agency above a certain critical size can generate its own work. The connection has only rarely been made between these axioms and ATT, GM, and the countless other private bureaucracies which are generating their own work as surely as the Pentagon. Another of the critics' handicaps has been their apparently irrepressible humor. C. Northcote Parkinson, Laurence Peter, Galbraith—sharp students all—have thrown in the laugh lines and thereby discredited their views among the academic/government audience that identifies solemnity with seriousness.

One other impediment to analyses of business institutions should be mentioned: with all its secrecy laws and talent for procrastination, the federal government is still a hundred times more visible than corporations. Eventually most politicians and administrators can no longer resist the temptation to give their unabridged account of how the Small Business Administration *really* works, or the lessons we should learn from Project Mohole. Business insiders have been more taciturn, and reporters have been either uninterested or rebuffed. Robert Townsend's *Up the Organization*, a bureaucratic-reform manual by the former chairman of Avis, is an exception to the first part of that generalization; Emma Rothschild's book on the auto industry, *Paradise Lost*, is an exception to the second. The Rothschild book may open up a whole new territory for writers, for after finishing it most readers will want to know the same kinds of details about the oilmen, and the manufacturers of chemicals, and the

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other members of our great invisible administrative system.

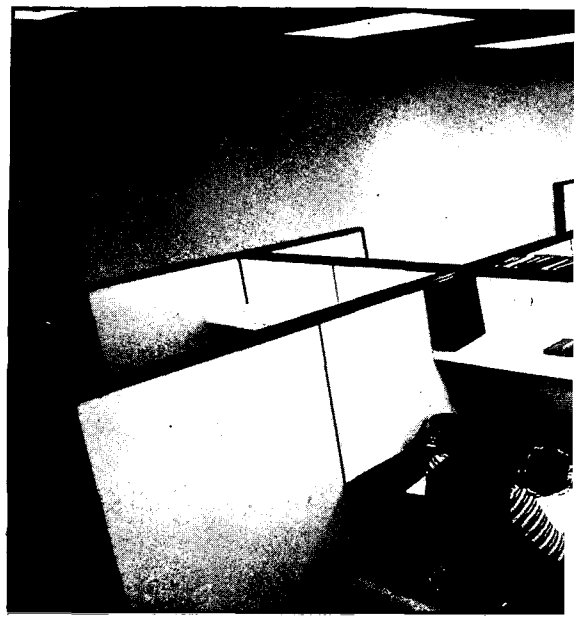
By applying several long-established principles about public organizations to the behavior of the private economy, we can make sense of how business has reached its current position. The fundamental tenet of organizational life is that the institution and its members are dedicated to preserving their positions. The institution, then, is like a guaranteed income, but one offering higher rates of support and operating with a reverse-means test.

Mention of "guaranteed income" or "featherbedding" often inspires images of surplus railroad firemen playing poker in the caboose, or citizens of Nicaragua chewing sugar cane on a public works project. The distinction of the institutional featherbed is that no one appears to be idle. It is a question of supply and demand, the same as any other economic function. In the short run participants may increase the supply of work through such tasks as updating their phone directories or monitoring the memo flow. In the long run they may create whole new categories of work and then supervise new departments to carry them.

Robert Kharasch, author of *The Institutional Imperative*, has given these examples of how institutions can guarantee that the supply of work never falls below the critical minimum at which overt idleness would become apparent:

> [Bureaucrats in need of extra activity may] turn to those two favorite time wasters, 1) coordination, and 2) planning. Time-wasting coordination is easily foreseen. Creating 10 sub-institutions to do one job leads to incessant memo-writing, coordination, paper shuffling, meetings, reviews. So says the Fitzhugh report [a 1970 study by a "blue-ribbon" group]: "Function analysis of these [military headquarters] staffs reveals an astonishing lack of organizational focus and a highly excessive degree of 'coordination,' a substantial portion of which entails the writing of memoranda back and forth between the lower echelons of parallel organizational elements and which serves no apparent useful or productive purpose."
>
> The second great occupation of administrators with too little to administer is "planning". . . . The sheer volume of "planning" is staggering. A hint of its magnitude is the 47 volumes which the Pentagon Papers fill.

Kharasch is talking about government here, but the corporate equivalent of the Fitzhugh report must be kicking around in company headquarters somewhere.



But if disenchanted corporate men have not gone public as frequently as government officials, there are still substantial indications that the institutional theory of corporate behavior is the right one. Consider this quote from Jerome Rosow, an executive of Standard Oil of New Jersey (and a former Assistant Secretary of Labor):

> A few years ago Esso was hard hit by the competition of small local refineries. People started saying that these companies were more efficient than we were, but we wouldn't believe this because it was incompatible with our self-image. When we got comparative data, management was at first incredulous, then astounded.

All that's left out of the story was its outcome. In the closed world of the oil industry, Esso continues to prosper (albeit under a new name, which cost it tens of millions to introduce), while small refineries have

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regularly gone under in the last three years.

Another important piece of evidence is the 1963 survey of 30 industries, looking for a connection between a corporation's size and security, and the rewards it gave its management. The conclusions, published in the *American Economic Review*, were that the more a company dominated a market and the higher the barriers protecting it from new competition, the more its executives would be paid. As Robert Townsend made the point in *Up the Organization:*

J. G. Furniture Co.

> Small companies must be Spartan to succeed. Big companies are small companies that succeeded. Most of them have become epicurean institutions. . . . I realized that friends in one small company were being diverted by the glitter of the monster models. If Time, Inc. puts its executives in fancy offices, *that* must be the way to be big.

It makes perfect sense that frugality decreases as size and security increase, for this is an extension of the institutional immorality much remarked on during the war. Bomber pilots never saw their victims; they were shielded from the results of their actions. In a large institution, the worker is also shielded; in effect, he never sees the balance sheet. Neither energy nor sloth on his part will have a measurable effect on the corporation's performance. In his latest book, *Economics and the Public Purpose*, Galbraith explains the other side of this equation. The only truly exploited laborers left in the economy, he says, are farmers, small businessmen, and other members of the vanishing race of the self-employed. They can get from their enterprise only what they put in; the cheapest thing they can invest is their time. Having no minimum hours they also have no maximum.

The small businessman must be dedicated to his own product, but those in the institutional system owe their loyalty not to the specific functions they perform but to the system itself. Without large organizations they would not be paid $25,000 to manage and consult. Most people retain enough self-awareness to realize, at least in flashes, that there is nothing God-given about their comfortable berth and that a lot of what they do does not really need to be done. But while many people will take the leap of faith and assume that small illustrations of military padding symbolize a whole ethic of waste in the Pentagon, our critical faculties seem blunted in dealing with the private economy. Since the large companies are "private" and nominally subject to the rigors of the marketplace, each individual is tempted to classify the waste he sees as an exception to the general rule.

And even if business did begin to look like the Pentagon, what then? Certainly most people would prefer to perform make-work at AT&T than to stay home and receive their salary through the mail. This is the distinction between "a job" and welfare or public works, a distinction momentous in symbol even when scanty in reality. On welfare one bears a stigma; unemployed, one is left to create his own identity. In an institution each one is part of the whole and is identified with its aims—even if these

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are nothing more than continued existence.

Certainly the private institutions are not blind to this facet of their appeal. Consider an advertisement from the fourth largest private employer, ITT. Last December was the month of the first major lay-offs, the month when federal officials spoke more seriously about continuing shortages. In December, ITT, an association of 428,000 employees, advertised not the productive might of this vast work force or the quality of its output. In an advertisement that might have been written in 1934, ITT stressed the simple fact that it kept bread on so many tables. "Creating jobs is our most important responsibility," it said. "Creating jobs is what we do best. . . . When you consider that American business will have to develop jobs for 27 million new workers by 1990, it's clear that the contributions of multinational companies will be critical to the future growth of America's economy." If it came from a public institution this would rightly be labeled make-work talk.

The Urgency of Introspection

There is abundant cause for anxiety about the economy, but the anxiety should do more than tighten the bonds of insecurity that draw individuals back to their institutions. Uncertainty and risk, traditional catalysts of creativity, seem to retain only their threatening overtones. How else can we explain the fury with which decent and well-paid people lash back at those who threaten to shake their foundations? Henry Durham, a Lockheed supervisor, was nearly driven from his home in Georgia after he reported waste and dishonesty in the airplane assembly plants. For each one like him there must be hundreds whose complaints have died unvoiced. Many managements and most unions have met the external threat from the Japanese and the Germans not with invigorated efforts but with calls for a sea wall of protective tariffs.

Indictments of the institutional economy have for years had a shrill and futile tone. The complaints have borne the sound of the "hungry-children-in-India" lectures to families with unemptied plates. The corporations waste money while millions are poor; they build electric toothbrushes while millions go homeless. All this is true, but unpersuasive; for behind it is the understanding that the corporations are not what keeps us from dealing with poverty in this nation any more than the multinational companies are what keeps us from dealing with poverty in the world. Moreover, there is a fear of looking too close. If we were to classify people as "surplus" and drive them from the institutions, where would they go? AT&T may be better than the dole.

Within the last year the stakes have changed. Close examination of our institutional life is now a necessity. The potential reward for this self-examination is that it may help us learn how to use our human resources to adapt to shortages of other materials. For three centuries this country has pursued a paradoxical kind of "efficiency," in which our efforts to get men off the assembly line have been matched in intensity only by efforts to provide work for them in the offices. Now we may have reached the point Japan and Israel occupied a generation ago: they were countries short of everything but talented manpower.

First, we should put the "resource shortage" in perspective. It is true, as Lester Brown wrote in *World Without Borders*, that we have grown constantly more dependent on external sources for most of our raw materials. Already we import nearly our whole supply of chromium and tin, of nickel, manganese, and bauxite. In a world prone to dispute, there is little cheer in this fact. Many of the products we don't need to import will cost more, since the rest of the world will be bidding for them (as the

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Japanese demand has raised prices for our soybeans and timber.)

Still, there is nothing like a genuine resource shortage in the foreseeable future. If there is a fuel shortage this year, for example, its size is smaller than the *increase* in per capita consumption since the 1960s. That is the kind of "scarcity" America will know in the 1970s—not a general retrenchment like the blackout-Britain of today, but a slowdown in the rate of increase and in some cases a drop in consumption.

By these criteria, both the food and fuel shortages have been relatively mild. But their calamitous effect on our attempts to manage the economy shows their impact. The central challenge they pose is that they work outside the realm of traditional economic controls. Rules of public finance don't really have a place for commodities skyrocketing in price because of international affairs. When that does happen, the best the government can do is try to cope with the results. The government may let the prices rise and try to cushion the impact on the poor; it may impose overt rationing; or it may use any of the indirect rationing measures now familiar in the U. S. (cutbacks in airline schedules, Sunday closings of gas stations, exhortations for meatless meals).

Within the next few years, rationing-type controls will almost certainly be extended to cover a much wider range of the economy. One reason is that shortages tend to develop a momentum of their own and to transfer scarcity from one part of the economy to another. Last year's beef shortage immediately inflated prices of chicken and cheese. The shortage of petrochemicals for making plastics has already tightened markets for substitutes ranging from sisal to paper.

We'll Have More Controls

We could avoid expanded controls, of course, if our supply system could keep up with the shifting demand—if, for example, Detroit could stop making Cadillacs one day and produce all Vegas the next. On the evidence is not a realistic hope. We need only recall the performance of the agribusiness companies during the beef shortage and the ongoing public service of the oil consortium. Both of them, like other large organizations, have traded away adaptability in exchange for security. They are in business to stay in business and not to take risks.

Mechanically, too, the institutional economy has made us prisoners. The assembly line of 1940 used less fuel and more men to produce each refrigerator or tin can than today's factories do. But when fuel gets tight we can't just switch back to the old process; instead, the factory may have to cut production and lay off men. Our economic evolution has also eliminated another form of adaptability. Thanks largely to Detroit, cities all over the country have ripped out their trolley tracks (even Los Angeles had them) and abandoned their inter-city rail lines. The final catch is that the large institutions have tied up and immobilized so much of the nation's wealth that no one else can rush in where America, Inc. fears to tread.

The point is simply this: since we can't count on a flexible supply, we must expect a more restricted demand. Gasoline rationing, now being being imposed piecemeal, is the most familiar example of what managed demand will mean. It may be a deceptive example, however, because it is so benign. (We can't let people freeze in Minnesota while they're cruising the freeways in California.) The complications that a more widespread system of controls would bring are suggested by the contrast between gasoline rationing in Los Angeles and gas rationing in Paris. In the one case (Los Angeles), regulation becomes the pivot of economic and social life. There is no ready alternative to the service under restriction. Consequently other activities may suffer, and other shortages can develop. It is in the regulators' power

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to confer or deny a whole range of personal and economic freedoms; so the rationing plan must be worked out in careful detail. It may have to include restrictions on sports, agriculture, and other businesses.

In the second case (Paris), the painless alternative of an adequate system of public transport is at hand. Rationing is a possibly inconvenient, but certainly non-oppressive, way of absorbing a shortage.

So if an inflexible economy means that American controls are more like the first model than the second, what is the danger? At the most personal level, the kind of people who will enjoy filling out ration books or assigning timber-use permits are the very people we don't want to put in charge of how we live. There is a more important hazard, a style of life and thought best illustrated not by domestic example but by the Russian administrative state. To say this is not to Red-bait, but to suggest that Russia is a product less of socialist principles than of institutional ones. Soviet life stands as the emblem of the creative extension of bureaucratic controls, of energy concentrated on restriction, of ambition stifled or aborted. In the U. S., the institutional economy already controls production and half-controls demand by deciding what to offer us and by providing such a glut of misinformation. It takes a strong stomach to welcome more of the same. Jason Epstein speculated on some of the consequences:

> What will happen to the future of our technology—to say nothing of our art, our literature, and our personal lives—should it eventually appear that official control of the use of capital and the use of one's time has become the inescapable condition of national survival as it has already become the basis of corporate survival?

If there is another choice, it means creating more flexibility; that, in turn, means freeing people and their abilities from the institutions that have absorbed so much of both.

Lester Brown has suggested an analogy from the world's food situation. This year the world's grain reserves are at their lowest level in years; if catastrophe forced everyone to live off stored grain, the supply would last less than a month. Paradoxically, we have at the same time entered a period of greater protection against disaster in the world's food supply, and that is because people all over the world are eating more meat than they used to. Since it requires roughly 10 pounds of grain to produce one pound of beef, the meat amounts to a cushion; a slight drop in meat consumption releases a sizable amount of grain. In the United States the average person eats almost 120 pounds of beef each year, up from 55 pounds in 1940. This leaves us a much greater "food cushion" in tight times. In the same way, our economic institutions amount to a "manpower cushion"—if only we can find ways to re-apply the talents.

The traditional assault on big business has been a restrictive one. Break up the conglomerates, restore competition to the markets, dismember GM into its component factories. Admittedly there is merit in this, especially in removing the weapons corporations use to squash competition. But as a major policy weapon, antitrust is unbearably awkward and slow. Litigation may drag on for six or eight years after a case is first filed, and at the end the judge may order divestiture within the following 10 years.

Even under the toughest conceivable judicial assault, no corporation is going to be prosecuted into creativity and vigor. Those are the traits of another kind of organization, usually smaller and younger. The government recognizes this difference, and when it wants to get the greatest mileage out of a program it sets up a new agency to carry it out. By the time the agency reaches middle age three or four years later, it will have tired of its hard-charge and will look forward to the slower pace of a mature institution.

Our economic approach should be a balance—doing what we can to restrain and invigorate the large insti-

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tutions, but also looking for places to encourage new activities. There are at least three general ways to do so. While all are aimed at reforming large institutions, they do not all call for cottage industries. Building a national railroad, for example, isn't something to be left to the Small Business Administration. The dominant concept is appropriate scale—small when possible, but large when necessary.

I. *Back to the Farm*

Agriculture exports are usually identified with the poor countries or with the underpeopled prairies of Australia and Canada. For the United States, they may well hold the key to continued prosperity. North America already controls 90 per cent of the world's exportable grain—the U. S. three fourths of that total and Canada the rest. One by one the other continents of the world (excluding Australia) have become dependent on American food; first Europe, then Asia, then Africa, and finally Latin America have become net food importers.

The one economic certainty for the rest of this century is that demand for food will grow. Population continues to rise, and with greater affluence comes a higher demand for meat instead of grain. Soybeans are already the nation's most valuable export, and it is conceivable that by the end of the century the U. S. would be able to balance its international payments with food alone. At the very least, rising food exports may help us pay for the minerals and oil we must import from the rest of the world.

The tightening food market, together with the changed prices for oil and other resources, may finally give us a chance to reverse the evolution of American agriculture. Since the end of World War I people have been moving off the farm. Now only 4.5 per cent of the work force is left there (as compared with 25 per cent in agriculture in Russia, 15 per cent in France, and 10 per cent in West Germany). At the same time we have encouraged extraordinarily intensive use of the cultivated land. Support payments have been based on the amount of land a farmer holds out of production, not on the size of his total crop, so farmers have applied machinery and fertilizers to the land in staggering quantities.

Two forces could change this pattern. The first is the constant increase in demand for food. Last year the U. S. Department of Agriculture ordered all idle cropland back into production—this after years of land-retirement payments. That decision by no means exhausts the supply of good agricultural land. In a recent Iowa State University study, *World Food Demand, Production, and Trade*, three agronomists estimated that the potential U. S. cropland was perhaps 30 per cent greater than what is now planted. While this figure included some land now used for non-agricultural purposes, it did not envision victory gardens in every backyard or a larger scale reconversion of suburbs into farms. No other developed country has a land reserve this large.

A potentially large farmland could mean more opportunities for people to move to the farms. According to a recent poll by the National Opinion Research Center, more than half the people living in cities of more than 50,000 said they wanted to move to the country. If one tenth of these replies are sincere, they will guarantee a healthy supply of new farmers. Of course, the major deterrent until now has not been the shortage of land but the sense of pointlessness: why move to the farm if the million-acre Iowa tracts could produce more than you could and if subsidy payments would be your major source of income? Within the next few years, that calculation may change. One reason, again, is that all farming should become more lucrative as prices rise. More important, standard mechanized farming will become more costly. Petroleum to power the machinery will become more expensive; so will artificial fertilizers, some of which are

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made from natural gas and all of which require large amounts of energy to produce.

For the million-acre commercial farmer, these considerations probably won't be enough to make him give up the combine and take on more hired help. But for the family farmer they do improve the chances for success. His disadvantage in mechanical energy is less of a drawback than before; manual application of fertilizer may be more efficient than using a machine because less of the fertilizer will be wasted.

Evidence from other countries also supports the small farmer. Farms in many other developed countries are much smaller than those in the U. S. The average farm in Germany, for example, is only seven per cent as large as the American average; France, at 13 per cent of the American average, is the largest in Europe. Although these tiny farms are less efficient in terms of manpower, they can often produce greater yields per unit of land. In 1967-69, for instance, per-acre wheat yields in Germany, Belgium, and the Netherlands were more than twice as high as in America. Both labor-intensity and high fertilizer use lie behind these results, and both could be duplicated by the small farmer.

The small farmer may have another advantage whose importance will increase if fertilizer costs rise. One of the manpower-saving features of American agriculture is the feedlot system, where cattle are gathered for a final dose of grain before the market. The manure from these feedlots produces more water pollution than all the municipal sewage in the country. It is, moreover, an essentially free source of fertilizer; it's not used much now because the cost and bother of hauling it back to the farm is too great. The man who raises his own cattle and uses the fertilizer may have another edge. It will not let him drive the big operations out of business, but it may let him support himself.

II. *Improving the Railroads*

If America has experienced any real shortage within the last year, it has been in transportation. Even if the "oil crisis" ends, the problem will continue. Essentially it is a question of scale: autos are too small-scale for most transportation in big cities (it is as if every person in an office building had to provide his own heater); airplanes are inefficiently large for much of the short-haul flights they now make.

An improved railroad system would not replace the airplane for coast-to-coast flights, nor would it do more than reduce car use. But it would be a useful way to provide the transportation we want with the resources we have. It is preeminently efficient on fuel; according to Thomas Southerland and William McCleery's *The Way to Go*, a train requires .36 gallons of fuel per hundred passenger miles, compared to 4.4 gallons for a car, and 5.5 for an airplane. Historically it has been very inefficient on manpower; "featherbedding" got its name on the railroads and has only in places been eliminated. Featherbedding is so prevalent on train lines around the world that it is hard to draw clear conclusions on whether an efficient railroad would use more or less labor than an efficient airline. It is clear, however, that air pollution, fuel restraints, and urban congestion will keep us from indefinitely expanding our airline and car systems in the future. So developing an alternative—a functioning national railroad system on a par with European lines—is an important place to invest our energies. The 30 per cent rise in Amtrak business within the last half year points out the trend.

Poor struggling Amtrak, for all its failures, represents a large step forward from the passenger rail service we had learned to hate during the '50s and '60s. One of Amtrak's major problems has been that it's board is filled with all the wrong people. Louis Menk, for example, served on

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Amtrak's board of directors while making public statements hostile to the idea of passenger rail service.

Under-funded and compelled to drop "unprofitable" cities and routes, Amtrak is at best a shadow of a genuinely effective national rail system. Such a system would not be merely a nostalgic adjunct to cars and planes, but a serious alternative means of transportation for both passengers and freight. This involves restoring the quality of service between the major cities, of course, but it also means massive construction of small-city networks and commuter routes. This will be expensive, but so would any other antidote to recession, whether overt (unemployment payments) or indirect (defense spending), and the train has the distinction of being useful. Learning from their friends the highwaymen, the railroads might sell this package to Congress as "the National Defense Railroad Act."

III. *Working from Within*

Institutions will always be with us, but they needn't be as bad as they are now. Both in government and in business, there are organizations that get their jobs done, whose members work at 90 per cent of their potential rather than 30 per cent. Nearly every government agency goes through a phase like this when it is young; so do some companies when they're trying to avoid bankruptcy.

Although there is no easy formula for the problem of bureaucracy, there are a few hints of where to begin. One is to return some honesty to the process of communication and judgment. A deadly insecurity makes people turn away from the question of institutional featherbedding; the "cast the first stone" principle daunts those who might otherwise point out waste. A similar hesitation works against open assessment of how people are performing in our institutions. So few people are able to put distance between their professional achievement at any given time and their own identity and worth, that to tell someone he's made a mistake often means calling *him* a failure. More often, the judgments just aren't made and we go along for years hearing false praise and not understanding why we're never promoted.

Second, the very structure of bureaucratic life—with its endless organization charts emphasizing boxes rather than people—thwarts any open communication; a man who is separated by three boxes and several connecting lines from someone else may be hesitant to tell him why his program is going to hell. Among government bureaucracies, this is a well-recognized—if rarely solved—problem. It is difficult to cope with because it undermines the system of hierarchy and titles that organization is all about. If you want your junior assistant to tell you about a mistake you're making, it's harder to keep him in line at other times—harder, too, to explain why he can't come on the executive jet.

Finally, institutions—the public ones especially—would profit by a greater turnover in manpower. If some accountant wanted to guarantee that employees, once signed on, would never leave an institution, the civil service pay system (and many private pension plans) would be the ideal trap. Every organization needs a balance between those who stay for years and provide some continuity, and those who are avowedly temporary and are therefore free of the constraints of the careerist. Now the balance is absurdly skewed in favor of the time server.

We must recognize too that people stay in institutions not only because of the attractions there, but because of the perils of leaving. The cost of college education, and the mounting risk of medical bills, means that there's only a brief period in life when most people can afford the risks they might like to take. Encouraging a greater feeling of private security may be one of the most important ways to put the nation back to work. ■

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A PRIMER ON THE ECONOMY

How We Can Bring Back Quality: Sharing a Piece of the Action

by Marjorie Boyd

For some time now, the unlikely topic of work has been among the subjects which have most occupied journalists. A deluge of words has poured forth exploring not only the dissatisfaction of the blue-collar worker, but the sterility of life on the office "paper assembly line." Since the work ethic is tattooed on American brains, unhappiness with work often manifests itself tragically, in moody withdrawal from family and friends, alcoholism, mental illness, and drug addiction. It is widely reported that the principal villain in all this misery is a system which carries assembly-line organization to an absurd extreme, withering the self-esteem that comes from pride in work.

Most of these articles on work have concentrated on the problem, but some have begun to include descriptions of one solution: worker participation plans, which allow workers a voice in how their work is organized, coupled with profit-sharing plans tied to increases in productivity (output per man-hour) making the employees, in a sense, partners in the business. Innovative work schemes have turned some forms of labor from wage slavery into more humane arrangements in the few places where they have been introduced. But the very success of these experiments increases the frustration of those who have attempted to extend worker participation plans to much larger portions of industry.

The experience of some of the nation's longest-running worker participation plans may finally provide the answer as to how the plans can be sold to reluctant management. For the evidence shows that not only

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does worker participation improve the dignity and excitement of the employee's task, but it also can greatly improve his productivity.

Most businessmen have known for years, from the results of various experiments and from their own experiences, that the key to increasing productivity is the individual worker's attitude. And they have been aware of what the malaise of worker dissatisfaction does to the quality of products. As Saab Motors put it in an ad showing smiling Swedish workers who build cars in teams rather than on assembly lines, "Bored People Build Bad Cars." Businessmen have also known that workers can achieve extraordinary productivity increases by finding ways to do their jobs better or faster or cheaper. Often the worker is the one most likely to think of a "better way," because he is most familiar with the details of the manufacturing process. Studies have shown conclusively that when workers are given the incentive of profit-sharing, combined with encouragement to offer their own ideas about the way their work can be done faster and better, they quickly unleash stores of energy and creativity.

A Piece Of the Action

If worker participation promises more satisfied workers earning more money, better products, and higher profits, why didn't business pounce on the idea long ago? The answers are both numerous and obvious. The crusty bureaucratic structure of a large corporation is naturally unfriendly to any idea involving such disruption in the comfortable day-to-day life of management. And of course, profit-sharing means problems with the stockholders, and changes in the manufacturing process often involve initial capital outlays. But perhaps the biggest obstacle to worker participation has been its requirement that workers be allowed to have a voice in the way things are done, which means that management must give up some of its own power and prerogatives, going against a law of nature. It's worth mentioning, too, that public support for productivity has not been overwhelming. A Gallup poll shows that 56 per cent of workers admit they could produce more, while a Harris survey reveals that a majority of Americans see no reason for increasing productivity, since it would only mean more money for greedy stockholders.

Moreover, through most of the past three decades there has been little pressure on business to consider such revolutionary change in order to increase productivity. Our economy has seemed invincible, our inflation manageable, and our natural resources abundant. Foreign businessmen lagged behind us in technology and marketing techniques, and American business was king.

Although few would argue that American business is no longer king, it is generally acknowledged that several would-be successors are gathering at the foot of the throne. Some of our industries are frightened. The shoe industry has been all but wiped out by imports; steel and textiles are being

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hard pressed by the newly aggressive foreigners (prompting U. S. Steel to begin a saturation campaign of TV ads about productivity); and the auto makers are starting to stumble. Not surprisingly, it is in these frightened industries that a growing interest in worker participation can be discerned, where talk is heard of a "new relationship" between management and workers and of a "piece of the action"

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for workers.

Richard Gerstenberg, chairman of the board of General Motors, recently put his imprimatur on the "drastic change is now necessary" school of thought:

> Productivity is not a matter of making employees work longer or harder. . . . We must improve working conditions and take out the boredom from routine jobs. . . . We must increase an employee's satisfaction with his job, heighten pride of workmanship and, as far as is feasible, involve the employee personally in decisions that relate directly to his job.

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Experimentation in worker participation has been going on outside the frightened industries as well, but most of it has been of a piecemeal nature. Polaroid, Sears Roebuck, Kaiser Aluminum, and Eastman Kodak have introduced profit-sharing plans without adopting the other tenets of worker participation, while AT&T, Monsanto, Bankers Trust, and Travelers Insurance have experimented with abandoning their assembly-line approach to office and factory and with giving workers a voice in management, but have eschewed profit-sharing.

Some other large corporations are sticking their toes in the worker participation water by instituting flexible-hour plans in which the workers set, within reason, their own eight-hour work periods. This allows for trips to the bank, doctor, or dentist, all of which in the past meant time lost from work and money lost to the time-clocked worker, as well as uncomfortable encounters with supervisors. A small change, but one which removes a large irritation from the lives of many. It also encourages workers to think of their jobs in terms of tasks to complete rather than hours spent in a certain place. This minor change has decreased absenteeism and resulted in increases in productivity from one to five per cent.

The only companies that have given complete worker participation plans a real trial are several small and medium-sized companies scattered around the country. (It's no surpirse that the smaller firms have given the plans their start. A worker is a lot more likely to see the results of his extra effort in a larger profit-sharing bonus if he works in a 500-man plant than if he's part of General Motors.) Their successes cannot be written off as short-term wonders, since most adopted the plans 20 or 30 years ago. And now, large corporations, attracted by the astonishing productivity records of these smaller companies, are studying the way they work.

'U and I Make Quality'

The Lincoln Electric Company in Cleveland, Ohio, instituted a system of worker participation and profit-sharing nearly 40 years ago. After deductions for taxes, reserves, and stockholder dividends of six per cent, all the remaining profits are distributed to the employees. In 1969, $16.5 million was divided among Lincoln's 1,900 workers, distributing approximately $8,000 to each employee. This doubled many workers' yearly earnings. Most amazing, Lincoln's welding machines and electrodes are still sold at 1934 prices—the year when the first profit-sharing bonus was paid—while labor, copper, steel, and other inputs have risen by 200 to 600 per cent over the same period. Lincoln's prices have been held steady by the extraordinary efforts of its employees both to produce more individually and to find ways to improve the manufacturing process so that overall costs have not

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risen.

Donnelly Mirrors, a medium-sized company in Michigan, instituted a plan in the early 1950s in which workers participate in both management and profit-sharing. Donnelly has doubled its productivity since 1952 and lowered its prices. The key word at Donnelly is creativity. All the workers are encouraged to think of creative changes. Last year, one Donnelly employee figured out a way to eliminate an entire process, thereby saving an enormous amount of money and abolishing 18 jobs including his own. The 18 workers were immediately given comparable or better jobs in the subsequent expansion. Contrast this with the many workers who spend most of their time protecting their own small bailiwicks. In another case at Donnelly, a maintenance man invented a machine for beveling mirror edges, a machine that costs only $290 instead of the $900 for the machine Donnelly had been using.

If profit-sharing is the carrot of worker participation, then the pressure the workers exert on one another is the stick. Recently Donnelly employees voted to eliminate time clocks, a move that could have resulted in a sharp increase in operating costs because it also required full pay for absent workers. But the employees understood all the possible ramifications of their action, and in order to preserve the size of their profit-sharing bonuses, they managed to decrease their rates of both absenteeism and tardiness. (Even though all employees were on straight salaries, Donnelly did keep records, as they do on all experiments. They showed that after the time clocks were taken out absenteeism dropped from five per cent to 1.5 per cent and tardiness from six per cent to one per cent.)

The American Velvet Company of Stonington, Connecticut, instituted a worker participation plan more than 30 years ago. Every year 27 per cent of company profits before taxes goes to the workers (this came to some $900 per worker last year). Productivity and profits are way up at American Velvet, and this in an industry where labor trouble and foreign competition have bankrupted many other companies. American Velvet has not had a labor dispute since it adopted a worker participation system; representatives of the worker force and management sit down together at daily meetings to open the mail and discuss purchasing, sales orders, new equipment, and personnel problems. And the company books are open to all.

In Orange, Virginia, the American Velvet Company has just opened a subsidiary plant run on the same worker participation principles as its parent company. It is a new, well-lighted, clean, air-conditioned plant. Intent men and women tend the large looms working in rooms where the noise is ear-splitting, but the workers wear comfortable-looking ear plugs, something like those used with a dictaphone transcription machine. A large banner across the ceiling reads: "It Takes U and I to Make Quality."

I talked with Harold Main, vice president of American Velvet, a lean and affable New Englander, who has been with the company for 25 years.

"Came right out of college. It was the luckiest thing that ever happened to me." Main talked on enthusiastically about his company's program.

"We pay the highest wages in the industry. Profit-sharing is no substitute for good wages.

"Another thing we believe in is the latest in equipment and machinery. You can't save any money by using old equipment. The two things you have to have are highly motivated workers and the latest in equipment, because you can be sure the foreign competition has them."

The world demand for velvet has been high in the past five years and American Velvet is doing well in the international market. (They have opened a plant in England.) Executives of much larger corporations have been descending on American Velvet in swarms, as if it were a health spa

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whose waters could rejuvenate their sagging sales figures.

"Last week we had a group from Procter & Gamble," Main continued cheerfully. "What we stress is that every single worker is vitally important to your operation. You can't run a plant without a man to sweep the floor, and if he likes his job and shares in the company's profits, he will not only sweep the floor well but will tell you about a better and cheaper broom, if he knows of one."

I asked Main how a large corporation like, say, General Motors, could go about setting up a worker participation plan.

"Well, they would have to do it on

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a plant by plant basis. It would involve considerable decentralization. We tell all these businessmen that the most important thing is trust. Any problem can be solved if you are open and honest with your employees and they trust you."

Main and I exchanged smiles at the prospect of G M breaking itself up into small units and becoming completely honest and open. Still, it is a fact that G M executives are now busily studying the setup at Donnelly Mirrors with an eye to adapting it to their super-corporation. (Displaying considerable elan, Donnelly is charging G M for the privilege.) G M must be somewhat impressed with what it has learned, because it recently announced that henceforth it will buy all its mirrors from Donnelly.

American Velvet's Main was emphatic about the importance of trust in reforming factory life. "Building trust—it can't be done overnight. This trust took years to build. Why, I'm sure that after 30 years, we still have a few employees who don't completely trust management."

Hostilities between workers and management have always been intense in this country and have been accepted as an inescapable fact of industrialized life. But the wisdom of this acceptance is called into question by the experiences of other countries more innovative in their industrial relations.

How the Foreigners Do It

To take one notable success story: soon after World War II, West Germany passed laws making a form of worker participation in business mandatory. The laws have been strengthened and expanded in recent years. Workers now hold one third of the seats on most corporate boards of directors. In two major industries, steel and coal, the corporate boards are made up of equal numbers of workers and stockholders, plus one "neutral" member (usually a clergyman or college professor or some respected figure trusted by both sides). This degree of power has helped German workers become the best paid in the world; "contented" has become a cliche in descriptions of them, as has "phenomenal" in describing their productivity. While the traditional industriousness of the Germans is no doubt partly responsible for this success, their system, which gives a degree of power and recognition to workers, must also be given at least a share of the credit.

The Japanese industrial organization is far different from the German, but it too contains elements of worker participation. Japan was a late developer industrially and thus had the benefit of the experiences of other countries. By picking and choosing ideas and adding them to their own customs, the Japanese have concocted an extremely complex system, but one which certainly seems to work

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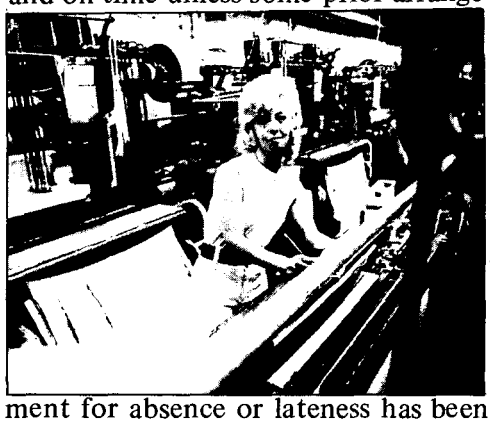
well for them.

Perhaps because of their Confucian heritage and its stress on public reputation and "face," Japanese industrialists customarily have been generous with their employees. Since they have long been recognized as among the world's most astute businessmen, greatly concerned with profits, we can safely assume that they also believe a humane system contributes to efficiency.

Large Japanese corporations resemble communities. They provide housing for their employees at low rentals—a housing park for married couples and hostels for unmarried men and women workers. At the age of 45 or so a worker usually buys his own home, and the loan (at low interest rates) usually comes from the company. The firms also provide scholarships and loans for the education of their employees' children, and they maintain dormitories in Tokyo where the offspring can live for free while studying at the universities. Most companies not only pay a percentage of employees' insurance premiums and contribute to pension funds, but also build and maintain for their employees' use such facilities as gymnasiums, swimming pools, athletic stadiums, tennis courts, and concert halls. A few large Japanese corporations even publish literary magazines for their more cultured employees.

Most industrial work in Japan is performed in teams of 15 or so workers led by a foreman who is a union member and works along with his team. So, unlike foremen in other countries, he does not always appear in the role of management lackey, passing along orders from "them" to "us." The workers are encouraged to offer opinions about their work; since the Japanese seem to prefer written communication, each worker is required to keep a log book of complaints or problems along with suggestions he may have for improving design or methods of assembly. The foreman reads the log books periodically and talks them over with all the team members. They in turn make joint decisions as to which suggestions or complaints are worthy of being passed along to management. Most Japanese factories do not have time clocks and assume everyone is present and on time unless some prior arrangement for absence or lateness has been made.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Japanese unions are company unions, and thus count everyone but top management as members. The unions negotiate wage increases and related questions much as American unions do, but because of a Japanese law which requires publication twice yearly of the most intimate details of every company's balance sheet and profit statement, the unions are able to keep their demands quite closely attuned to what the traffic will bear. Strikes are nearly extinct in Japan. When they do occur, they are largely ceremonial affairs which last no longer than 48 hours.

What most foreign visitors notice first about Japanese factories is the absence of class tensions so prevalent in other countries. Workers and management work the same hours. All receive a month of sick pay yearly. Their vacations and pensions are dependent upon seniority, not rank. Everyone wears a uniform, usually a blue denim coverall and a helmet. The only indication of rank is various color stripes on the helmets. There is no executive washroom; only one canteen is used by all.

Of course, all this organized togetherness and civility would be suffocating for many Americans.

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Many of these ideas probably would no more be adaptable to our highly individualistic, boisterous, and probably more creative work force than most of us would want to rise at dawn and stand naked under a waterfall and recite poetry, as the Japanese are fond of doing. But while we are different, we are also alike, and there is no question that the Japanese have overcome many of the problems that plague us. For example, Japanese industrialists have devised hundreds of ways to disburse prestige and nourish the self-esteem of their workers. They do so because they believe it is right, but also because they know it contributes to efficiency. American executives have hoarded all symbols of status for themselves and have come up with a system that is sometimes inefficient and often degrading.

John DeLorean, a former president of Chevrolet, told *Fortune* that he believes many bad judgments made by G M executives can be traced to the way they have separated themselves and their everyday lives from the problems of the real world. "You travel like an oil sheik. . . any officer can fly in one of the corporation's 18 private planes. When he lands, new cars whisk him and his retinue into town. Before he arrives at the hotel, a public relations man checks out his

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suite to make certain, among other things, that flowers are in place."

And a Chicago steelworker recently told Studs Terkel, "A mule, an old mule, that's the way I feel. . . . You know what I heard from more than one guy at work? 'If my kid wants to work in a factory, I am going to kick the hell out of him.' "

I talked with C. R. Brown, American vice president and general manager of Mazda Motors, about the differences in the Japanese and American systems.

"Japanese workers are certainly not superior to American workers. The American worker has more ability to think and act independently. The reason for the Japanese worker's higher productivity is the fact that he receives recognition for his work. The system is different. American business just doesn't seem to understand that workers need recognition."

While Japanese union representatives serve with members of management on joint productivity councils which meet twice monthly, the U. S. labor leaders I spoke with believe productivity is management's problem alone. Technically, of course, they are right. But the power held by unions in the industrial equation makes it difficult for them to maintain a completely neutral position on any question involving work. And economists who study productivity problems are concerned that many union practices are undermining productivity. The practice most frequently mentioned concerns "union work rules." These are rules sought by unions ostensibly to protect the job security of workers.

The practice became widespread in the 1950s, back when the experts were predicting that it would be only a matter of time until we were all replaced by machines. Most of these fears have turned out to be exaggerated; experience indicates that in the long run automation actually increases the number of jobs, both for computer programmers and lower level workers, because it greatly increases productivity and allows for expansion. But it is impossible for the worker who loses his job to a machine to take the long view, and his situation evokes strong sympathy from all fellow humans who feel vaguely threatened by mechanization. Perhaps understandably, the unions have taken full

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advantage of this situation. Some union work rules limit the use of labor-saving machines, others put limits on an individual worker's output, while others require that a certain type of worker be present when a certain type of machine is used. This can mean that a workman receives a full day's pay for standing around, his only contribution to the national economy and his company's performance being to flip a switch on in the morning and off in the afternoon. The rules may even require that the switch-flipper have a highly paid assistant. Electricians are paid to watch burning lights, plumbers are paid to watch pipes, etc. Other rules make it nearly impossible to fire a lazy, incompetent, or drunken employee. Employers agree to the rules because they want to avoid strikes and other labor troubles and because they know they can pass the extra costs along to the public.

Most politicians, needing labor support and campaign contributions, not only refuse to speak out against union work rules, but even try to have them put on the law books. An example is a "health" bill introduced every year for the last 10 years in the New York legislature and once only narrowly defeated by an intensive lobbying effort of building contractors. The bill would require all employers at construction sites to have a licensed plumber on the premises both before work starts in the morning and after work stops in the evening (at overtime pay) to check the toilets to make sure that they have all been flushed.

Until recently, knowledge of how the rules operated and of the overall extent of their abuse was difficult to obtain. Last year, *Engineering News-Record*, a respected engineering journal, came out with an extensive survey of the union work rules in the construction industry. It concluded that 40 per cent of every construction payroll dollar is wasted because of the union rules. Even if that figure turns out to be inexact, it indicates the trend.

"What you have is a union elite which is perpetuating itself," says Ralph Nader. "But the interesting question to me is where are all the Republican senators who used to speak out for the companies and attack the unions? Their silence can only mean that the companies don't really mind so much what is going on because they are in collusion with the unions in many cases. The unions help them with all sorts of things, so they don't mind the union excesses, and of course, the public is paying the bill anyway."

Worker participation, in addition to its already stated advantages, would probably help reduce the union's stake in such outlandish featherbedding; workers participating in profit-sharing plans tied to productivity increases would see the advantage in using their newly acquired power to put a stop to practices which are so clearly hurting productivity.

Back to Adam

Up to now, leaders of organized labor have been less than enthusiastic about worker participation plans. Leonard Woodcock of the United Auto Workers has called the idea "elitist" and a young auto worker reports an argument with Woodcock over the boredom question: "I told Woodcock that if he had to answer the phone every 32 seconds and say the same thing, he'd understand."

I talked with Jack Sessions at the national AFL-CIO headquarters, a venerable gentleman, full of charm, who quoted Shaw as he expressed disdain for the "intellectuals." When I asked him how his boss, George Meany, feels about worker participation, he answered:

"We have no official position. Let's put it this way, we are skeptical. There is the feeling here that work has always been boring and hard and that the university professors are more worried about it than the workers. And we believe there is a lot of 19th-century romanticism in these

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ideas. But we are watching developments in the area closely. The important thing is that the unions be included in these experiments."

There is a common theme and an ambivalence running through these statements. There is no problem. But they are not exactly opposed to looking for a solution. Most of all, they want to be included. When I told Jack Sessions of the AFL-CIO about the efforts of workers at the American Velvet Company to increase productivity, he seemed interested and impressed, but he countered immediately with a story about an almost bankrupt factory in Miami which the union local took over, reorganized, and turned into a thriving business. The distinction was very important to him—the *union*, not the workers. So, this is where the rub comes. It is obvious that any program which brings workers and management together in a joint endeavor will weaken the union hierarchy. Today workers and management have little contact with one another except through the unions. Worker participation plans would start to break down the wall between the two, and the immense power of some union officials would crumble along with it.

The potential for irony in the present situation is great. What if American business, in a desperate effort to keep pace with foreign competition, improves the lot of workers in a way never even contemplated by the unions? And what if corporations find that in order to motivate workers they must share their profits and open up their policy-making decisions, something the federal trust-busters and regulators have sought unsuccessfully for years? And if workers and management do develop even a degree of mutual trust, it can only have the effect of forcing the unions to abandon some of their more outrageous abuses, abuses which Taft-Hartley and Landrum-Griffin have been unable to curb. Maybe it will turn out that Adam Smith was right about some things. ■

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Tidbits and Outrages

Just the way Barry Goldwater thought it would turn out:

WELFARE EMPLOYE Marilyn Casdorph exchanges greetings with a friend from the drive-in service window recently installed by the State Department of Welfare for food stamp recipients. It is located at Lewis and Morris streets. (Gazette Photo by Leo Chabot)

—from The Charleston Gazette

Try a U-2

President Nixon's genius for evading taxes has been the subject of considerable comment recently. But somehow our favorite example got buried in the back pages of the few papers that ran it:

MIAMI, Dec. 24 (UPI)—Tax assessments on President Nixon's Key Biscayne compound have been made for the last five years without assessors being allowed to have a look at the property, Dade County tax assessor A. H. Blake, Jr. said today.

Secret Service agents, citing security reasons, have refused to allow the taxmen inside the closely-guarded complex overlooking Biscayne Bay, Blake said.

In 1970, he said, two Air Force jets forced down a chartered county plane taking aerial photos of the area and agents later blacked out portions of the film showing the complex. According to Blake, tax assessments on the presidential homes are made on the basis of land values and building permits. Blake said that he had to depend on the word of the President's aides on any taxable improvements not covered by building permits.

"I guess you can say it's on the honor system, but when the Secret Service says 'no' you just don't argue," Blake said.

First Things First

Presidential Assistant Richard Moore—whose performance as a pitiful old man was the White House's finest moment at the Watergate hearings—has now provided us a further look at Administration psychology. He gave The Washington *Star-News* this explanation for the President's failure to make charitable contributions:

. . . . he was under so much pressure being President. The year he gave $295, for example. That was the year of the Christmas bombing of Vietnam. He just didn't have time to think of charity.

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THE SCREWING OF THE AVERAGE MAN:

How Your Lawyer Does It

by Charles Peters

A recent Gallup Poll found a dramatic growth in the popularity of law as a career:

"Among young adults who are presently deciding on careers, the trend in favor of the legal profession is even more marked. In 1962, eight per cent chose law as the best career. The figure rose to 20 per cent in the latest survey. . . ."

This popularity is not a product of the impractical idealism so often attributed to the young. John MacKenzie of *The Washington Post* recently wrote under the headline, "Business is Booming for Capital Lawyers":

> Washington's starting salary of around $18,000 for the brightest new recruits to the largest firms runs slightly behind New York's.
>
> Young associates can look forward in their middle or late twenties to salary increments of perhaps $2,000 or $3,000 each year for five to eight years. . . .
>
> Those who become partners no longer are on salary but theoretically take on the hope of profit and the risk of loss of a joint owner of the enterprise. The risks are on a high plane since the firm may set a floor of $40,000 to $60,000 under the earnings of a new partner.
>
> The partner takes it from there. Anywhere from one fourth to one half of a big firm's partners will reach six figures.

To produce these salaries, leading partners are now billing their clients at $150 an hour. Even the time of a young associate is being charged at $50 an hour. "In a smaller firm in a medium-sized community," according to a national legal magazine, the going rate is $40 an hour for an experienced associate and $30 an hour for one fresh out of law school.

These rates present something of a problem for the average man in need of legal help. Say he's cheated on a $300 refrigerator and wants a lawyer to sue the seller. The lawyer will have to explain that his fee would be larger than the amount that could be recovered in the suit.

Ralph Nader told me, "The legal system has priced itself out of the

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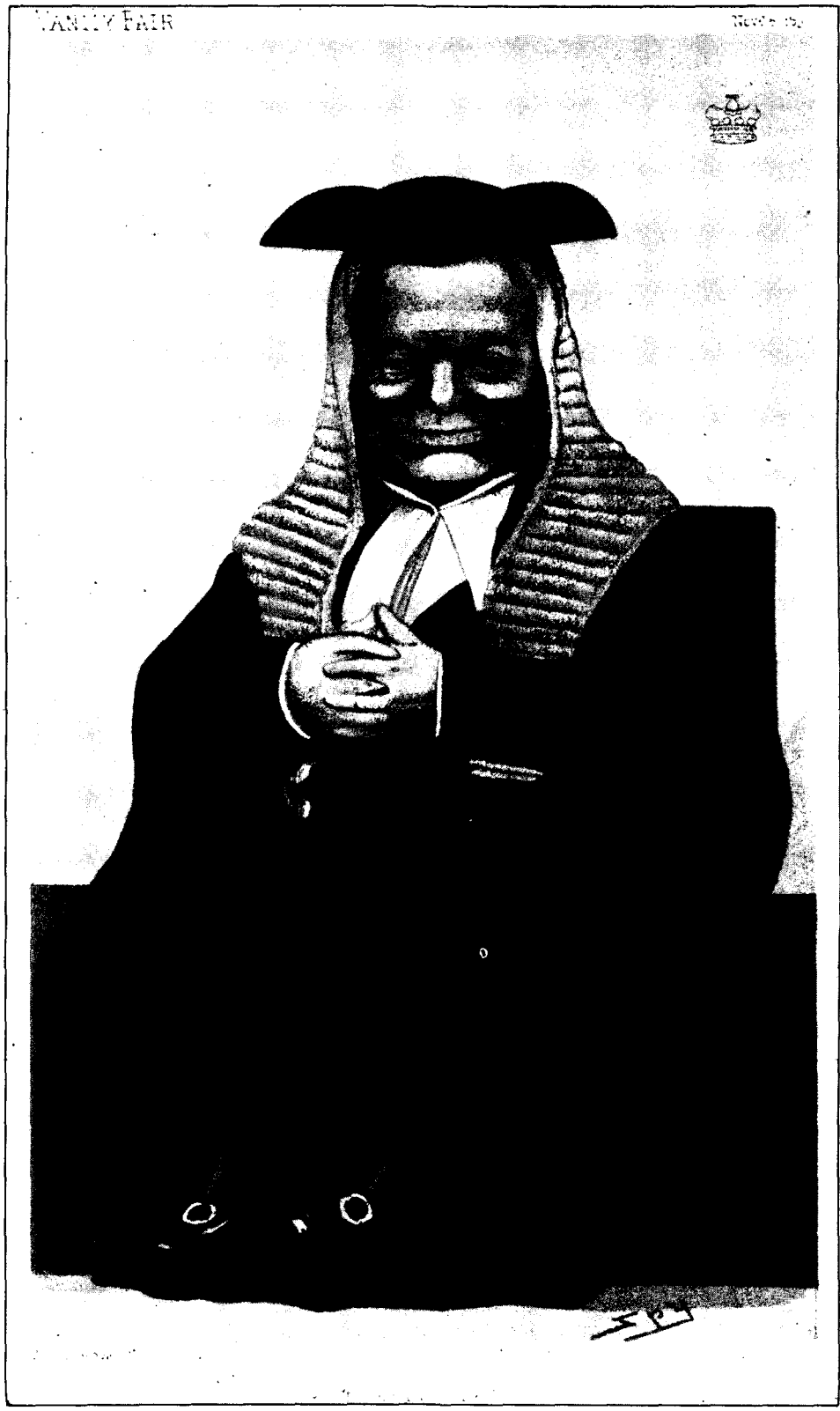

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range of most of its potential consumers. The law has never gone in for economies of scale. It's as if you couldn't buy a car for less than $20,000."

In modern America, the need for a lawyer is even more certain than the need for an automobile. When you die, when you get a divorce, when you buy a house, when you have an auto accident, not to mention the hundreds of times during your lifetime when you are fleeced in your role as a consumer, a lawyer either must or should be involved.

Nader went on to point out that what is bad news for the average man is also bad news for the average business, "which can have all the legal problems of a giant corporation plus one more—they can't afford to pay a good lawyer for the time it would take him to handle the work." This magazine is an example of the problem. Its legal work has been done largely as an act of charity by four Washington lawyers and the two firms with which they are associated. A friend who is a partner in the great New York firm of Sullivan and Cromwell estimated that for just the first year of that work alone, he would have billed us $60,000. And even then we sometimes don't ask our lawyers questions that should be asked for fear that we would be treading excessively on their patience and good will.

The law's delays and its endless forms fall especially hard on the average man. A Rockefeller will not panic if his lawyer has to wait a couple of days in the courtroom for the judge to get to his case. The average man knows that his lawyer's meter is ticking at anywhere from 50 cents to $5 per minute.

Minimum Wage

There are of course some legal matters that do not require much of a lawyer's time and which the average man should be able to afford even at today's inflated hourly rates.

But here the legal profession meets the challenge with a device called the "minimum fee." Sometimes these are informal. Thus a Washington divorce lawyer told me his firm will not ordinarily take a divorce for less than $2,500. Often, however, these minimum fees have been formally adopted by a local bar association. The Fairfax County (Virginia) Bar Association has adopted minimum fees for a title search of one per cent of the first $50,000 of the purchase price and one-half per cent of everything over $50,000. A title search could involve as little as 15 minutes of a lawyer's time in the courthouse record room. Indeed 15 minutes probably is the rule for the easy-to-search titles of the recently subdivided property that is common in Fairfax County. Five hundred dollars is not bad for 15 minutes. In addition to having to give $500 to the lawyer, the purchaser also has to buy title insurance. Having paid for the expert, he now has to pay for insurance to protect him in the event that the expert turns out not to be an expert and his search missed a defect in the title. This is like a surgeon who, after scheduling an operation, requires that you insure yourself against the possibility that he will remove the wrong organ.

For years the American Bar Association took the position that it would be unethical for a lawyer to work for less than these minimum fees. But now that a Nader lawyer has convinced a federal judge to outlaw the Fairfax County minimum fee and Senator John Tunney has begun to expose the nationwide scope of the scandal through his Subcommittee on the Representation of Citizen Rights and Interests, the bar is quietly advising its local affiliates to take the fee schedules off the bulletin boards.

The fee schedules may go, but as we observed last month in another article about lawyers, their morality lingers on. Thus, the California State Bar Association has instituted proceedings against a firm called The Legal Clinic of Jacoby and Meyers. Two young lawyers, Leonard D.

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Jacoby and Stephen D. Meyers, have been accused by the bar of "moral turpitude and dishonesty." Their offense is having set up an office designed to deliver low-cost legal help through the use of young paraprofessionals and the development of time-saving manuals covering procedures in typical cases. Their fee for an uncontested divorce, for example, is only $100. The bar in their area of California charges a minimum fee of $400 for the same service.

Modern Typhoid Marys

The most disgraceful example of minimum fees is in probate. Ralph Nader calls it "The Screwing of the Average Corpse." Probate is society's means of making sure that the dead man's will, if any, is valid, that his debts and taxes are paid, and that his estate will go to the people named in his will or the people named by the law in the event he left no will. It has been estimated that the average cost of estate administration is about 20 per cent for an estate of $20,000 and about 10 per cent for an estate of $100,000. Of course, the percentage is lower in some states, but, whatever it is, a substantial part usually goes to lawyers. There are innumerable rackets connected with probate. Murray Teigh Bloom, in *The Trouble with Lawyers*, tells how he learned of one:

Harry left a modest estate to Julia and their two young sons. A family friend and lawyer who was handling the estate warned her she would be up against a peculiar and slightly expensive problem: a special guardian.

As she explained it to me, the surrogate court had to appoint a special guardian "to make sure the rights of our sons weren't being compromised. Me, they won't trust. They have to bring in some outside lawyer. Then I started hearing stories of how much these courthouse characters can ask for. And you've got to pay them or the estate never gets settled."

Her indignation and vehemence must have brought crinkled skepticism to my face. "Wild isn't it?" she said. "I didn't believe it, either, first time."

Now her brother-in-law, who knew his way around politics in the county, entered the picture. He said he could save Julia some money here. As he explained it to her, every surrogate kept a patronage list of lawyers he appointed as special guardians. The more influential ones, the men he owed bigger favors, of course got the larger estates and correspondingly larger fees. But to some extent, on these smaller estates the patronage list was controlled by a certain court clerk. Now her brother-in-law had a lawyer friend who was on this list, and although the normal fees for an estate the size of Harry's would be about $500, the lawyer friend, as a favor, would do it for a token $100. But the court clerk had to be paid, too. For $150—cash, please—he would see to it that the lawyer friend would get the special guardianship in the estate. . . .

The clerk was paid and the friendly special guardian came to Julia's home one Saturday afternoon. He called Harry's sons in and said:

"Boys, I know you want to be playing outside, so I won't waste your time. Tell me: when your father made out his will in December, 1965, was he sane?"

"Of course he was," the older boy burst out. "What's the matter with you?"

The special guardian said: "Don't get excited boys. That's all I have to know."

He later phoned two witnesses to the will and filed a brief report in which he concluded that the will was valid. Perhaps two hours of work in all for the $100. But then it had been a big favor. With the $150 to the court clerk, Julia and her sons had paid out, in effect, $125 an hour for "work" that any fairly intelligent legal stenographer could have done—at $3 an hour.

Bloom goes on to tell of a study of special guardian fees awarded in 1965-66 in Nassau County, New York. It found that Francis B. Froehlich, president of the Nassau Bar Association, had received $22,500 in such fees, and Charles R. Carroll, his predecessor, had received $12,000.

Judge William Haworth of Oklahoma, appearing on the CBS television program, "60 Minutes," estimated that 90 per cent of probate legal work is unnecessary. Except when there is a complicated tax problem, the only probate matter that should demand a lawyer is where the will is contested. The same applies to divorce. You

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don't need lawyers to get married. You should be able to get an uncontested divorce by the same kind of simple procedure by which you get married.

In contested divorces, it would seem clear that lawyers are needed. But wait a minute. Are lawyers really the best people to deal with a troubled marriage? The lawyer's advice to the client is to protect the client's interest when it often should be to look at the best interests of both parties to the marriage or to the best interests of their whole family.

Lawyers are not monsters. Most try to explore the possibilities of reconciliation, but it's hard to put your heart and soul into an effort that may cost you a $2,500 fee. Indeed it's hard to counsel settlement whenever it threatens the size of your fee. This is why lawyers, except those on retainers or with poor clients, seldom counsel settlement until they have put in a lot of billable time. In fact, most lawyers don't seriously contemplate settlement until the moment of trial is near. Then the certainty of hard work combined with the possibility of losing inspires conciliation in all but the toughest of the hired guns. But this one exception should not obscure the general rule that the lawyer profits by making and complicating trouble.

If paranoia is the major mental disorder of Americans, lawyers are its Typhoid Marys. They encourage their clients to think with selfish defensiveness, to imagine and prepare for the worst from everyone else. They are the real high priests of American society. Where Oedipus consulted Teiresias, the modern executive calls for Joe Califano. One fascinating fact that emerged from my talks with Washington lawyers is how many of them have become the first person to whom their clients turn for counsel on corporate, and sometimes even personal, problems. One said, "I would never have believed how much time I spend on hand-holding." Many lawyers try to use that power wisely, but many use it primarily to maintain

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and increase their legal business with the client, which means convincing him that he is a threatened man who needs his lawyer even more than the kings of old needed their seers.

Chickening Out

There are ways of getting quality legal help if you aren't rich. In fact, if you're poor, you may be able to get first-class legal assistance from the Neighborhood Legal Services program. The trouble is that many of the offices are understaffed and large parts of the country are not covered. Over half the counties in New York, for example, have no Neighborhood Legal Services offices. And, of course, the program does not help the average man.

One source of quality legal help is the contingent fee. While most auto accident victims would be better off under a no-fault system, the man lucky enough to be seriously injured by a well-insured motorist can get a good lawyer to take his case. The lawyer will charge one third of the amount recovered. This is the contingent fee. It applies to any case where you have a clear claim for a substantial amount against a well-heeled defendant.

Another way to get a good lawyer at little or no cost is to have a case that is intellectually fascinating. Perhaps five per cent of lawyers have a true love affair with the law and find interesting cases hard to resist. A larger number will be attracted by the case that will interest the public, receive press attention, and make their reputation.

Until recently, it seemed that having a worthwhile case would get you a good lawyer. The late sixties witnessed a flowering of "pro bono" practice, with young law graduates demanding that their prospective employers give them time for good works. However, according to Ralph Nader, "The minute there was a slight recession in the legal job market in 1971, the law students got chicken. In 1970, they were sending the law firms questionnaires about pro-bono. Now they're too busy putting on their vests." An interviewer for Covington and Burling, one of Washington's most prestigious law firms, told me that when he visited the University of Virginia Law School in 1969, he had 25 applicants, most of whom expressed an interest in pro-bono practice. This year Covington had 140 applicants from Virginia, not one of whom mentioned pro bono. "It's an amazing shift and it's generally true at the 20 or so schools where we recruit." Fortunately, however, the pro bono spirit still lives among the '69 and '70 graduates, and among that splendid but small minority of lawyers who have always had it.

Many states have established small claims courts to deal with the refrigerator case I mentioned in the beginning of this article. Jay Mathews, writing in *The Washington Post*, describes what most of these courts have turned into:

When L. Thomas Holloway's daughter fell off a horse and the doctor charged him $180 for two 10-minute visits to her hospital room, Holloway got angry and decided to fight the fee in Fairfax County's small claims court.

After five months—and $190 in lost wages because of court delays—Holloway has yet to have a chance to plead his case. Like hundreds of other people in the Washington suburbs, Holloway is experiencing the pains of pursuing a small claims case in a Maryland or Virginia court.

A survey by The Washington Post of area judges, lawyers and individuals who have field suits shows that a consumer who, without a lawyer, goes into court against a merchant who has an attorney faces formidable odds.

With most small claims involving amounts under $500 and most lawyers charging a minimum of $100 for court cases, many people decide to go to court without a lawyer and find—in both Maryland and Virginia—that:

- Court clerks are reluctant to help laymen fill out the legal forms needed to file a suit.
- There is almost no one to explain the various rules that can be used by the opposing attorney to delay a case and force

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To understand why legal fees are what they are it is helpful to review these figures from *Student Lawyer* for "a smaller firm in a medium-sized community":

ASSOCIATE'S ECONOMIC BUDGET

1. New Associate			
Chargeable Hours	1,200		
Hourly Rate	$ 30		
Gross Earnings		$ 36,000	
Salary	$ 12,000		
Overhead	$ 10,000		
Total Cost		$ 22,000	
Profit per Associate			$ 14,000
2. Experienced Associate			
Chargeable Hours	1,500		
Hourly Rate	$ 40		
Gross Earnings		$ 60,000	
Salary	$ 22,000		
Overhead	$ 20,000		
Total Cost		$ 42,000	
Profit per Associate			$ 18,000

The profit for the associates is, of course, divided up among the partners. The law is much like medicine in that the older lawyers exploit the junior lawyers (although at higher salaries than interns and residents receive), who arrive at their seniority feeling fully justified in taking similar advantage of the young lawyers in their firm. In the fancier firms, the profit per associate is much higher than above. An outstanding associate of one of Washington's more prominent firms told me that four years out of law school, his work was being billed at $120,000 a year, while he was being paid in the mid-twenties. This associate has power, as do all highly talented young lawyers. They are an important source of the firms' profit. If they had the courage to stand up to their firms, they could get plenty of pro bono time. They can certainly call the tune as much as the senior partner who has passed the point of being willing or able to burn the midnight oil long enough to prepare that winning brief. He may bring in the business, but they do the work. Indeed, in many of the larger firms, it is the total reputation of the firm and quality of its work that attracts and holds business rather than "rain-making"—the profession's term for business getting—senior partners.

a consumer to miss work by appearing in court and finding the case postponed.

■ With an attorney representing even one party, judges must adhere to strict rules governing evidence, which often keeps a complainant from telling his whole story in court.

■ Appeals by the losing party to a higher court require both sides to have lawyers. In Virginia, a consumer's victory may be short-lived, because the defendant's lawyer need file only a simple notice of appeal of the case, and the winner must then decide if the money is worth the appellate legal fees. If not, he virtually forfeits his "victory."

This reminds me of a major element in the screwing of the average man: judges and clerks who are neutral referees, who don't tell the average man his rights, who don't ask the questions he or his lawyer should ask. Innocents may think our courtrooms are full of Siricas, vigorously leading the search for the facts. This is true in England, but not in the United States. Thus the average man, if he tries to act on his own, or if his lawyer is not as skillful as the other side's, will probably lose. This defect extends beyond the small claims courts to include most of the American judiciary, by their non-participation they become silent partners of those who can afford the best attorneys.

We shouldn't leave the realm of judges and clerks without noting how their leisurely schedules contribute to the delays that screw the average man. Short hours and long vacations characterize the American judicial system. (Every time you hear about overloaded dockets, take a look around your local courthouse at 5 p.m.) Judge Jerome Frank, after serving several years on the U. S. Circuit Court of Appeals, said, "This is the easiest job I've ever had." And it should be

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remembered that Judge Frank came to the bench, not from the rigors of private practice, but from the relative relaxation of academia.

Class action has appeared to many to be the salvation of the average man. His damages are often not enough to pay the fee of a good lawyer. Lumped together with others who were sold a car with the same defect, they reach an amount that will pay the lawyer's fee and support the research necessary to prove the car was a lemon. Unfortunately, only California and Illinois have laws encouraging class actions. Still, these laws show the potential of class action as a consumer weapon. Philip Schrag and Michael Meltsner, writing in the November, 1972, issue of *The Washington Monthly*, described a California case:

> In May, 1969, after General Motors had received more than 200 complaints of wheel failure on three-quarter-ton Chevrolet and GMC truck models sold between 1960 and 1965, the company sent an "advisory" to 200,000 truck owners warning that the defective wheels constituted a "serious safety risk." GM urged prompt replacement—at the owner's expense. Company executives must have chuckled over that one: no truck owner was likely to sue the auto giant, because a lawsuit would cost more than the $500 required to put safe wheels on a truck.
>
> But GM was in for a surprise. Two California truck owners did sue to force the automaker to pay for the new wheels. They claimed that GM was not only obliged to make *their* trucks safe, but to replace the wheels on all affected vehicles, at an estimated cost of $97 million. Shortly after the suit was brought, GM agreed to offer free wheel replacement to 40,000 of the truck owners.

The federal courts seem determined to limit the potential of class actions. The Supreme Court recently ruled that everyone in the class must have sustained at least $10,000 in damages before they can sue together as a class. This decision of the Nixon Court shows the same concern for the average man that characterized the Administration's decision to raise the minimum price of its high-interest paying notes from $1,000 to $10,000. Congressman Bob Eckhardt has a consumer class action bill that will straighten things out. It sets the minimum damage figure for each member of the class at $10. He's been fighting futilely for it for years, but this recent outrage by the Court may stir up the consumer movement enough to put his bill across.

The Daisy Chain

Another piece of legislation pending in Congress that could help the average man is Senator Kennedy's Public Counsel Corporation bill "to insure full participation by and on behalf of unrepresented citizens in administrative rule-making proceedings." The average man is not represented in hearings before government agencies like the Federal Communications Commission, the Food and Drug Administration, and the Interstate Commerce Commission. The chairman of the Civil Aeronautics Board has observed that "ordinarily the Board does not specifically seek out the views of persons who would not otherwise be likely to present their views to the Board." That, according to Senator Kennedy, is a shorthand way of saying that only commercial interests related or directly affected are involved in the administrative process. Former Commissioner Nicholas Johnson has said that "citizen participation in the Federal Communications Commission process is virtually nonexistent." And former Chairman Lee White of the Federal Power Commission has written: "On the whole I believe meaningful citizen involvement in the administrative process is sorely lacking."

The result is that the Interstate Commerce Commission will give a truck company a rate increase that raises the price of your food and you don't have a chance to object. The truck company and its competitors are heard, but not the average man.

It is important to realize that those people who are represented before the

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ICC don't think of themselves as screwing you. They think they are protecting themselves from being screwed. And so do their lawyers. Practically every call from a Washington lawyer to an administrative agency contains some variation on this theme: "Now I don't want any favors, I only want to see that my client gets fair treatment." Clark Clifford really believes that when he says it. So does Edward Bennett Williams, solemnly intoning that "every citizen is entitled to legal representation," as he strides into court with a Jimmy Hoffa. Both men are speaking truth—and this is what is missed in the cynical exposes of the superlawyers. Most of these men are not crooks, nor are most of the officials with whom they deal. All the superlawyers usually get *is* fair treatment for their clients. The catch is that the only people who get that fair treatment are people who can afford to pay five- and six-figure legal fees.

It is unlikely that the Clark Cliffords or the Edward Bennett Williamses—or indeed most lawyers—will do anything serious about reform of their profession. Those fees are just too good to give up. And since lawyers dominate both the Congress and the state legislatures (by running for office they get free advertising; by making the laws, they learn where the loopholes are), it is unlikely that those bodies will do anything about reform. Indeed, one wonders if Americans generally care that much about the screwing of the average man. We are united by a daisy chain of mutual plunder. Philip Schrag, who was New York's first Consumer Advocate, reports:

> A chain-letter franchising plan that was the subject of a Federal Trade Commission proceeding moved into New York but came to our attention only because one of our lawyers was approached to join; the victims saw no reason to complain because even after they learned the government's allegations, they thought they could make money by selling further franchises to expand the chain.

The most benign version of this sort of thing is the small-town Rotary Club, where membership is restricted to one person for each occupation. The auto dealer, the banker, the insurance man, the lawyer, the mortician, the realtor, the doctor each get to screw all the others in return for their right to screw him. Everyone has a good chance of coming out ahead. But most Americans are not so well organized, and, on a net screwing basis, they are losers. The question is how many face the fact. The average man is bribed by his piddling tax deductions to sanction a tax system that gives a hundred other more lucrative deductions to the rich.

But what if the average man does wake up and some kind of national will emerges to reform the legal system for his benefit?

Burger Is Right, For Once

One answer that would provide more and cheaper lawyers would be to cut the academic training from three years to one—which is all that's needed for the basic courses—and provide for a system of apprenticeship in the various specialties such as taxation. The three-year law degree is one of the greater frauds in American life. It says that after three years of academic training, a man has arrived at the point where he can represent you adequately in any area of the law. In reality, there are many things he can't do at all after three years and many more that he could have done with just a few weeks' or months' training. Chief Justice Burger is right for once in complaining that most lawyers are incompetent at trial work. But more training isn't the answer. Most would be equally incompetent after 10 years of training. And the good ones would be good after six months' apprenticeship with a first-rate trial lawyer. Skill in specific areas of the law is as much a matter of aptitude and temperament as of training. Thus some lawyers are good at trial work and terrible at taxation.

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Another way to get quality legal help for the average man is suggested by the success of the contingent fee in attracting lawyers to cases where there is a substantial claim against a well-heeled defendant. The sex appeal here is the probability of being paid a substantial fee. The appeal would exist if, regardless of the dollar amount at issue, the loser would have to pay a healthy fee to the winning attorney. Attorneys' fees are now awarded the prevailing party only in such exotic realms as securities fraud and antitrust. There is actually a statute forbidding their recovery in suits against the federal government.

A third way to make the law more accessible is through legal insurance, but this holds the threat of the same kind of fee escalation produced by Blue Cross-Blue Shield. The currently fashionable pre-paid legal services proposals, the lawyer's version of medicine's health maintenance organizations, would at least offer some prospect of controlling fees.

But something about these proposals to make more work for the lawyers rings wrong. Similarly, Senator Kennedy's and Congressman Eckhardt's bills, while persuasive in terms of the present system, don't seem to get at the roots of what is wrong.

Peter Schrag's *Counsel for the Deceived* begins with his indignation at our refrigerator problem. A couple named Allen had been cheated on a freezer. They couldn't afford the legal work needed, but Schrag was paid by the NAACP to take the case. After hundreds of hours of work and the passage of four years, the case was settled, with the Allens finally relieved of the obligation to make further payments but still not recovering the money they had paid. Schrag's indignation inspired him to lead a successful effort to persuade New York City to enact one of the country's toughest consumer protection laws and set up a well-staffed agency to enforce it. The result was that the system beat him again:

The delays and obstructions I had experienced in the Allen case were to my surprise equally visited on public law enforcers; in fact to the extent the government had to cope with internal bureaucratic sources of delay, its problems were magnified.

Juries Are Right, Too

One solution is for newspapers to take a much more active role in reporting how the average man is screwed when he buys a house, a car, insurance, a television, a refrigerator, medical care. The Action Line columns do some of this now, but there is not nearly enough analyzing of trends and naming of names of principal offenders.

Public knowledge of a disputant's unfairness is a powerful persuader to reasonableness. You don't want your friends to think you're being bull-headed. This may be why the Chinese system works so well. There the emphasis is not on litigation, but on mediation, usually by one's neighbors or fellow workers. A nation of 800 million gets along without any lawyers. (For our 200 million we need 350,000.) Disputes are settled quickly and inexpensively, perhaps because the alternative may be an assignment by the mediator to read more of the thoughts of Chairman Mao. Whatever the motivation, the result, according to Professor Jerome Allan Cohen of Harvard Law School, is that things do get settled out of court and with much less animosity among the disputants than is typical in America.

The Chinese do not have the complete solution—obviously their system fails to protect the individual from arbitrary action by the state—but they may have part of the answer. One is struck by how often American juries of "neighbors and fellow workers." serving part-time and with modest compensation, come to the right conclusions. Maybe they can be our mediators. Clearly we have to do something. Our system of adversary antagonism simply costs too much in too many ways. ■

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POLITICAL NUMBERS

No Watergate Landslide

by Alan Ehrenhalt

It is comforting as well as logical to assume that somebody will pay the price for Watergate at the polls in 1974. The coming election will be our first real chance to punish the corrupt and to reward the innocent. But whom do we punish? Those directly involved in the scandal like H. R. Haldeman, Egil Krogh, and E. Howard Hunt are not planning to run for office. Instead, the punishment will have to be applied through scapegoating, and the composition of the next Congress may depend on the level of symbolic vengeance to which the voters descend.

The most common assumption is that since Watergate was a Republican crime, 1974 will be a Democratic year. Politicians in both parties are raising the possibility of 40, 60, or even 80 new Democratic seats in the House, and a bumper crop of Democratic senators, as well. That would make 1974 one of those rare midterm elections that determines the course of legislation for years to come.

Alan Ehrenhalt covers national politics for Congressional Quarterly.

It has happened twice since World War II. In 1946 high prices and postwar frustration erased a vestigial New Deal Congress and brought in William Knowland, Joseph McCarthy, Richard Nixon, and a new generation of conservative Republicans. Twelve years later an Eisenhower recession gave the Democrats 17 new Senate seats and installed the mildly liberal Senate we have been living with ever since. The men of 1958—Edmund Muskie, Philip Hart, Frank Moss, Gale McGee—are only now coming into seniority and power. If 1974 brings us another upheaval like 1946 or 1958, we may feel the impact into the 1990s.

While this would be a dramatic denouement to Watergate, it is not likely to happen. There are 34 Senate seats up in 1974. Democrats already hold 20 of these, so this effectively limits their targets of opportunity. In addition, the Democrats seem likely to lose Mike Gravel's seat in Alaska if Walter Hickel decides to come out of retirement and run against him.

Of the Republican 14, Charles Mathias of Maryland and Richard

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Schweiker of Pennsylvania are about as far from Nixon and Watergate as it is humanly possible for a Republican to be. They have the friendship and financial assistance of the AFL-CIO. Although Mathias and Schweiker are concerned, as any prudent Republican would be at this point, it is hard to imagine any Democrat beating them without money or issues. It is equally unrealistic to assume that Arizona will rise up and throw out Barry Goldwater as a protest against White House corruption.

This means that the Republicans will enter the campaign defending 11 seats which they have a reasonable chance to lose. It is foolish to predict any one of these elections nine months in advance, but it seems extravagant to assume that Republicans will lose nearly all of them. Such an electoral debacle would require the defeat of incumbents like Robert Packwood of Oregon, Henry Bellmon of Oklahoma, and Jacob Javits of New York, all of whom are strong political figures in their home states and not dependent on a national Republican tide to sweep them to victory.

An epic change in the make-up of the Senate almost certainly requires that the vulnerable party begin the campaign with a number of potentially marginal seats. We don't have that this year. More likely than an across-the-board disaster for the Republicans is something like this: defeat for several of the weaker Republicans, close calls for some of the stronger ones, an incalculable upset or two, and a Senate three or four votes more Democratic than it is now. Such a change wouldn't be totally insignificant. For example, last year's 49 to 43 vote against reducing military aid to South Vietnam might be next year's 47 to 45 vote in favor of cuts. But it also wouldn't be very dramatic.

The Party's Over

In the House, of course, all 435 seats theoretically are up for grabs. The House is supposed to be the more volatile chamber, reflecting fluctuations in the public mood, and historically it has been. The Republicans gained 120 seats after the panic of 1893 and lost 101 in the Depression year of 1932. Within recent memory, Democrats picked up 38 in the Johnson landslide of 1964 and lost 47 two years later.

But to assume a similar reaction in 1974 would be to argue with the most important political fact of the past decade: voters are not making decisions on the basis of party the way they did in the past. The last three congressional elections, for example, have been held in three remarkably diverse sets of circumstances—a violent year and a close presidential contest in 1968, a mild but broad recession in 1970, and a presidential landslide in 1972. In each case, the partisan turnover in the House has been minimal—four in 1968, nine in 1970, 13 in 1972.

In 1972, for example, Utah voters gave Nixon nearly 70 per cent of their vote, but were discriminating enough to reelect their Democratic governor with an even higher percentage, defeat their only Republican congressman, and still manage to return their Republican attorney general to office by a comfortable margin. And voters in Kentucky, who gave McGovern the lowest percentage of any Democratic presidential candidate since the Civil War, elected a Democratic senator for the first time since 1954.

Special congressional elections provide another barometer of the decline in rigid party-line voting. Since Nixon took office there have been 18 special elections to fill House vacancies, most of them in traditional one-party districts. Virtually all of them have been close. Without an incumbent on the ballot, these constituencies have been about as likely to prefer one party as the other. Wisconsin's Seventh District faithfully returned Melvin Laird to the House for eight elections in a row, with his victory margin in 1968 nearly 2 to 1. But that didn't mean these voters felt Republicans were

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inherently superior; when Laird became Secretary of Defense in 1969, they picked a liberal Democrat, David Obey, to replace him.

Political reporters have failed to keep pace with the public's increasing reluctance to vote a straight party ticket. They still find it convenient to write about midterm congressional elections as if they were a national world series between the two parties, although the voters are ceasing to look at them this way. Such political independence is likely to increase because party identification is weaker among the millions of young voters entering the electorate than it is among their elders. It seems unlikely that even a shock like Watergate will be enough to drive the current generation of voters back to a narrowly partisan view of the world. Republican candidates have been saying, without sounding very convinced of it, that voters are smart enough to know that the party as a whole didn't commit burglary. They are probably right.

A Plague on Both Your Houses

If voters *are* too sophisticated to assume that all Republicans are guilty and all Democrats innocent, they still might express their anger by declaring both sides guilty. If people are as convinced as they seem to be that politicians as a class are crooks, 1974 ought to be a disastrous year for any incumbent.

But consider a curious fact: between 1966 and 1972, public approval of Congress dropped precipitously from 64 per cent to 26 per cent, according to the Gallup Poll. During the same years, the reelection rate for members of the House was about as high as it could go—98 per cent in 1968 and 96 per cent in 1970 and 1972.

What national polls often obscure is that voters do not elect a Congress, they elect individual members, one to a customer. What matters is not how they perceive the institution as a whole, but how they perceive the individual incumbent on the ballot. Les Aspin can campaign in Wisconsin against the swollen defense budget and the refusal of the House to do anything about it. H. R. Gross can campaign in Iowa against the swollen domestic budget and the refusal of the House to do anything about that. Both can win by running against Congress, as long as the voters refuse to believe that their own representative is part of the problem.

In recent years, with the price of a House campaign approaching $100,000 in many districts, and with incumbents receiving about two thirds of the funds, few challengers have had the resources to make an effective case. It is nothing more than human nature that voters tend to prefer the known to the unknown.

These financial problems are likely to be accentuated in 1974. Candidates of both parties, incumbents and challengers alike, are finding it difficult to raise money this year. Traditional contributors, struck by the shoddiness of what they have been buying, are not eager to go back to market. Incumbents who have returned from fund-raising excursions to their home districts have been complaining about this in the congressional cloakrooms. But in fact tight political money really helps them.

When money is scarce, incumbents can live off the fat of their other built-in advantages—the franking privilege, regular television appearances, the staff allowance. If no one had a dime to spend, every incumbent would win. Given our current system of campaign finance, there can be no massive repudiation of incumbents unless significant numbers of voters are willing to vote for candidates they have never heard of.

A shortage of campaign contributions increases the importance of the money that does come in. Neither organized labor nor organized business will stop giving because of Watergate. Nor will the ideological spenders, both left and right, who are likely to feel

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that now is a good time to influence things in their direction.

Candidates with these kinds of ties will get their money in 1974. Those who fall in between the cracks—the moderate, the vaguely well-liked, the ones who are everybody's second choice, the congressional-level Muskies of 1974—will be hit the hardest if the faucets are turned off. And they are precisely the kind of candidates who will not be able to make up the difference with volunteers. With the decline of traditional party organizations, it is the ideologically committed (doctrinaire conservatives as well as staunch liberals) and a few special interest groups like labor who provide the bulk of political volunteers.

Money and volunteers offer some clues to who the losers will be in 1974. Turnout is another. If turnout is low in primaries and general elections because the ordinary person has the same frustrated feeling about his vote as the fat cat does about his money, interesting things may happen.

Low turnout is a godsend for the well organized and the highly motivated. Last November in Philadelphia, for example, Republican district attorney Arlen Specter was beaten for reelection even though polls showed him far ahead of his Democratic challenger. Specter was well liked in Philadelphia, but the projections had assumed a normal turnout of 60 to 65 per cent. Instead, the turnout on election day was 43 per cent and he was defeated by the remnants of the local Democratic machine, which had come up with a hard core of 230,000 votes for its candidate. Normally this would not be enough to win, but in 1973 it was. Specter's appeal was broad but soft, and it did not survive apathy.

George McGovern won the 1972 Democratic presidential nomination on the strength of primary victories in states where most of the voters stayed home. In Massachusetts he collected all 102 convention delegates with the votes of less than one quarter of the state's registered Democrats. If people had been allowed to vote from their beds, it is unlikely that he would have won. But McGovern supporters took the primary seriously, and others did not. Muskie and Humphrey were just candidates; McGovern was a cause.

The answer to the January puzzle:

P	E	T	R	O	L	E	U	M		A	R	A	B	S
I		E		I		N		O		T		B		L
T	O	T	A	L		E	N	U	M	E	R	A	T	E
C		R		B		R		N		I		N		E
H	E	A	T	I	N	G		T	U	N	E	D	U	P
E				L		Y				T		O		E
S	P	I	L	L	A	G	E	S		O	W	N	E	R
		N				A		W				E		
O	F	F	E	R		P	R	E	T	E	N	D	E	D
R		E		U				D		M				I
A	R	R	E	S	T	S		E	L	I	X	I	R	S
T		I		H		T		E		N		O		T
I	R	O	N	E	D	O	U	T		E	N	N	U	I
O		R		R		O		A		N		I		L
N	O	S	E	S		P	O	L	I	T	I	C	A	L

Losers Anonymous

Although 1974 is unlikely to be a political watershed, there will be some turnover of congressional seats. And it is possible to hazard a guess about the characteristics of the most likely losers. Added together, the existing signs about turnout and financing point to defeat in 1974 for a certain kind of incumbent: the complacent veteran; the middle-of-the-roader, the one who has depended for years on a loosely defined sort of good-will, or on a machine he hasn't cranked up in years; the one whose supporters wake up election morning, watch the sun disappear behind a cloud, wonder what's in it for them, and find something better to do than vote.

The prelude to what is coming may have occurred on a day in September, 1970, when three of the most senior and least distinguished Democratic members of the House—Samuel Friedel and George Fallon of Maryland and Philip Philbin of Massachusetts—were all defeated for renomina-

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tion. (The lesson can be equally applied to lackluster Republicans challenged by committed conservatives.) Friedel lost to Parren Mitchell, a black sociologist; Fallon to Paul Sarbanes, a reformist state representative; Philbin to Robert Drinan, an anti-war Roman Catholic priest. All three of those defeats came in primaries where the turnout was low. In Massachusetts only 50,000 voted in the Democratic primary that chose Drinan over Philbin. Two months later, when Drinan won the general election, the turnout was 170,000, but by this time Philbin was available to his traditional supporters only as a rather pathetic write-in candidate.

It is a lot easier to manipulate the turnout in primaries than in general elections, and that was what Drinan's supporters did in 1970, making sure their friends voted and doing nothing to alert anyone else that an election was taking place. Drinan voters saw the primary as a referendum on the Vietnam war and organized in his behalf. Philbin fans saw it as nothing in particular, and most of them stayed home.

There are not many Phil Philbins left in Congress now for the zealous to pursue. A number of them were beaten in primaries in 1972, were forced out by redistricting after the last census, or took advantage of a generous new pension plan when it became available last year. But every Congress has its share of members who stand for nothing in particular, and they may be the ones we decide to punish in 1974.

In many districts, the candidates inflicting the punishment will be the ideologically committed of both parties. Elsewhere, popular local and state political figures may see 1974 as the year to exploit whatever anti-incumbent feeling Watergate has spawned. Take the situation facing a 66-year-old House Democrat named Frank Stubblefield, a druggist from Murray, Kentucky, who was elected in 1958 and has been reelected ever since, usually without serious opposition. He is a quiet man, the sort who rarely comes out strongly on either side of any issue that does not involve tobacco. Also from Murray, Kentucky, is a Democratic state senator named Carroll Hubbard, a 36-year-old lawyer who represents six counties in the legislature. Hubbard is the sort of bright young politician who normally develops into a congressional heir apparent, waits patiently for the retirement of the older incumbent, and then moves up. This year Hubbard is taking the calculated risk he might have otherwise avoided and is aggressively challenging Stubblefield for the Democratic nomination.

That primary will not make a great deal of difference in the make-up of the next Congress, but it may be typical of what is happening in districts around the country. It would not necessarily be fair if the ultimate casualties of Watergate were to be the Frank Stubblefields of Congress, but in a year of low turnout and little interest, they may be the ones who have the most to lose. ■

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Memo of the Month

GO-73 (Rev. 1-65)

ILLINOIS DEPARTMENT OF LABOR
BUREAU OF EMPLOYMENT SECURITY

MEMORANDUM

Date: April 30, 1971

To: David Gassman
Statistician II

Office:

From: Benjamin Greenstein, Chief
Research and Statistics

Office:

Subject: Hazardous Use of Coffee Pot

The afternoon of April 29, while Mr. Arthur Haverly was on vacation, an electric coffee pot was plugged in in his office and left unattended. It spread noxious fumes through the office and scorched a table belonging to the State.

You admitted that you plugged in that coffee pot and that you did it, although Mr. Haverly had told you that I had requested that it should not be done due to previous adverse experience. When I asked you why you plugged in that coffee pot, although I had requested that it should not be done, you stated that you did not take it that seriously.

I may note also that Mr. Haverly informed me the previous day that he had not authorized you to connect the coffee pot in his office.

The following facts, therefore, emerge:

1. You had used your supervisor's office for cooking coffee without his authorization.

2. You did so, although you knew that I had requested that it should not be done.

3. You had left the coffee pot unattended. For that matter, there may have been a conflict between performing agency work and attending to the coffee pot.

4. You created a fire hazard for your fellow workers and subjected them to noxious fumes.

5. When I asked you why you plugged in the coffee pot in spite of my request to the contrary, you stated that you did not take it that seriously. This is a rejection of supervision.

6. Your disregard of my authority has resulted in discomfort to your fellow workers and damage to State property.

7. On April 30, the day following the above actions and conversation, at 8:25 in the morning, I noted that you had again plugged in the coffee pot. When I pointed out that you were aware that I had asked you not to plug it in, you replied that it is not 8:30 yet. I then told you that I am in charge of the section, even though it is not 8:30 yet.

What should be done with respect to your actions, as specified above, is under consideration. In the meantime you are emphatically requested not to repeat the hazard you created by plugging in the coffee pot.

Benjamin Greenstein

BENJAMIN GREENSTEIN, Chief
Research and Statistics

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How Much Did You Give Last Year?

by Walter Shapiro

For all those who have chafed at the way Richard Nixon has tried to embrace small-town pieties it was the ultimate vindication. Buried amid the financial disclosures that marked the high point of Operation Candor was the revelation that this presidential apostle of voluntarism had contributed a grand total of $295 to charity in 1972.

The reaction was swift and predictable. Art Buchwald had an apochryphal cab driver declaring, "From now on, when someone hits me for a donation, I'll just say I'm budgeted for charity at $295, the same as the President of the U. S." Mary McGrory commented archly, "For someone who consistently urged that private charities should take the lead in helping the unfortunate, he set a rather miserable example." But it took an anonymous headline-writer for *The Philadelphia Inquirer* to reduce the issue to its bare essentials: "Nixon Income: $268,777—For Charity: $295."

To counter this image of a presidential Scrooge, the White House made a major effort to point out that Nixon had donated $13,000 to charity in his first three years in office. But what they neglected to mention was that this $13,000 represented only slightly more than one per cent of the President's income. Moreover, Nixon, like most Americans, displayed a rather extreme reluctance to give directly to the poor. Instead, the bulk of the President's tax-exempt contributions went to such well-heeled institutions as organized religion, with $4,500 alone going to Billy Graham's traveling salvation show, presumably to help defray the expenses of renting such temples of the faith as Shea Stadium. The other religious donations emanating from the White House were so ecumenical

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as to raise the possibility that a contribution to the Guru Maharaj Ji's Houston Crusade may appear on the President's 1973 tax returns. Not one to leave any spiritual stone unturned, the President made donations to Norman Vincent Peale's Marble Collegiate Church, the East Whittier Friends Church, the Baptist Community Hospital, the Holy Rosary Church, and the Southern California School of Theology.

It is beguilingly easy to continue to parse the President's tax returns and speculate about what prompted the Leader of the Free World to donate $100 to the Orthodontal Society in 1969. But in a sense this is a way of avoiding a much deeper and more personal question. And that is whether our own charitable contributions could better stand the light of national scrutiny. I know my own couldn't—I gave nothing to charity in 1973. To me, institutionalized charity has always seemed a rarefied world of large contributors and society balls.* Never a believer in the "drop in the bucket" theory, I would feel almost as foolish contributing to the Red Cross as I would sending $10 to a Nelson Rockefeller presidential campaign.

There are a number of other semi-convincing rationales I can develop for my own parsimony. Perhaps the most telling is that as a salaried member of the middle class, I, unlike the President, pay a disproportionate percentage of my income in taxes. Others may choose to tithe to their church, but the U. S. Treasury has determined that I must donate more than 20 per cent of my salary to such causes as the welfare budget and Social Security.

Admittedly, another reason for my niggardliness is that working in a small office I am free from institutional pressure to donate a "fair share" of my salary to such charitable conglomerates as the United Fund. Back in 1969, when I was working for *Congressional Quarterly*, a Washington news service with a critical mass just large enough to have its own United Fund quota, I was subjected to the only corporate dunning of my life. At that time a large percentage of the *CQ* employees were in their twenties, with, at best, fragile community ties to Washington. Not surprisingly, their pledges were not only below quota, but a number of people—including myself—pledged nothing. The managing editor, himself a recent refugee from *Nation's Business*, where such heresy was undreamed of, called a staff meeting to stimulate our flagging altruism. In a short speech, displaying how much he missed the supportive atmosphere of a Chamber of Commerce publication, he said in more or less these words, "All of you liberals have been complaining about America's failure to help the poor, well, here is your chance to put your money where your mouth is."

The ploy didn't work, but there was more than a germ of truth to his words. Liberals have been traditionally suspicious of charity, preferring institutional rather than individual solutions to social problems. It is difficult to shake the nagging fear that if private charity is too successful, it will drive the government out of the poverty business. But even more destructive of liberal generosity is the fear of being paternalistic. During the Depression there was a widely told story of a wealthy dowager who, after viewing a Bowery bread line, said to a nearby social worker, "Please find out what it costs, I'd love to have one." In our generation, a woman like this would have been right at home at Leonard Bernstein's party for the Black Panthers. Perhaps our fears of

*Researching this article did little to destroy these preconceptions. The national representative of the Boy Scouts of America confided that the key to successful fund-raising is to get your first contributor to provide 15 per cent of your goal (say, a $1.5 million gift to a $10 million campaign) and the next nine to ante up an additional 35 per cent. By implication, our nickels and dimes make up the difference. And during a visit to the Washington-area office of CARE, Inc., I spotted two copies of the *Green Book* (Washington's answer to the *Social Register*) and learned that CARE's major local activity is an annual dance at the Iranian embassy.

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being paternalistic really reflect a certain uneasiness about having any surplus money to give away. That's why it's so much easier to buy UNICEF Christmas cards or contribute to a political campaign than to give directly to the unfortunate, saying, in effect, "I'm better off than you are and I feel guilty about it."

Community Roots

These emotional delicacies that seemed so important during the late 1960s now appear rather dated. At a time when many of us have grown cynical about the ability of government to do much more for the poor than provide employment for middle-class social workers, there is something rather appealing about the directness of the person-to-person giving that characterizes traditional charity. At its best, charity doesn't establish cumbersome eligibility requirements to screen out "the undeserving poor," nor do its organizers worry unduly about "charity chiselers." Moreover, at a time when America's social conscience has given way to self-centered strategies to supplement a possible 35-gallon-a-month gas ration, it is relevant to ask whether liberals have any responsibility to the poor beyond ritualistically wringing their hands at the failures of the Nixon Administration.

Theoretically, private benevolence represents one way to partially bypass the bureaucratic rigidity that accompanies governmental efforts to fight poverty. For example, the drug-help agencies run by benighted fragments of the counter-culture in the late 1960s illustrate this kind of non-governmental flexibility. While the government was wasting millions of dollars annually in futile efforts to deal with the casualties of our own domestic cultural revolution, these make-shift operations were often surprisingly effective in ministering to the needs of the victims of the drug culture and developing the kind of rapport necessary to counsel alienated youth. In contrast, government attempts were almost by definition self-defeating, because official piety meant that they couldn't wink at the use of marijuana and relatively mild hallucinogens to gain the confidence of the heroin addicts and "speed freaks."

Because I spent the late 1960s in the youth-oriented atmosphere of Ann Arbor, Michigan, I had first-hand knowledge of the effectiveness of these private drug-help agencies. In the same way, a resident of Charleston, West Virginia, may be struck by the good works carried out by the local Salvation Army, and someone from Lowell, Massachusetts, may be keenly aware of the performance of a local day nursery. Although none of these three cities is immune from urban problems, each is small enough so that charity somehow seems manageable. Non-religious charity is rooted in communities like these as a kind of concommitant to civic boosterism. In a sense, you give to charity so that you can say with pride, "Sure, we have a lot of poor in my hometown, but at least we see to it that no one goes hungry." There is something personal about charity like this—you are often solicited by someone you know, and you generally have some idea where your money goes.

But with the growth of our urban society, this kind of charity seems increasingly anachronistic, a remnant of that bygone America of church socials and gasoline price wars. That's why I feel somewhat sympathetic toward the official rationale for the meagerness of the President's 1972 charitable contributions. According to a White House spokesman, the $295 that Nixon gave was not an adequate reflection of his habits "when he had more time to attend to personal matters." As self-serving as this explanation may be, it raises the point that giving to charity in a city like Washington is not easy. This is an old observation, since as early as 1698, Cotton Mather was warning urban parishioners in Boston "not to

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abuse your charity by misapplying it." Today most of us are wary of beggars, remembering people like the legless man who got into a dispute with the IRS during the 1950s over the $18,000 he was making annually panhandling on the New York subways.

A healthy skepticism about many institutionalized charities is also becoming common. The faith of many was shaken a while back when it was revealed that Father Flanagan's Boys Town, one of the most popular mail-order charities of all time, had more money than it knew what to do with. More recently, *The Washington Post* told of charges that Boys' Farm U. S. A. (a Father Flanagan imitator with the slogan, "No person stands too tall that they can't stoop to help a kid") was spending 90 per cent of all its contributions on fund-raising. Government provides little protection against hustles like these. Even Pennsylvania, with the toughest charity laws in the country, still permits organizations to spend 35 per cent of their money on fund-raising and the rest on administrative expenses.

We are left with this dilemma: Either you contribute out of blind faith, or you have to invest large amounts of time measuring the cost-effectiveness of various charities. As the archetypal rootless American, Richard Nixon personifies for many of us what happens to our charitable impulses when we are denied any personal contact with an effective local charity. In cities like New York and Washington, charities are almost as bureaucratic as government itself, and fund-raising is almost as impersonal as the withholding of your income tax.

Too Much to Squander

Back in 1969, the President tried the short-cut of donating $1,000 to Washington, D. C.'s United Givers Fund. In a sense, the United Fund is the Howard Johnson's of charity, a kind of guarantee of predictable mediocrity. You can rest assured that your contribution is not paying for the Caribbean vacation of some bogus minister, but, at the same time, many of the Fund's member agencies provide little in the way of direct contributions to the poor. Instead, there is an almost unavoidable middle-class bias to this modern community chest, as a large portion of its funds go to such community-wide causes as hospitals, the YMCA, and scouting.

On one level, the appeal of the United Fund is somewhat analagous to that of a mutual fund that spares you the agony of sifting through corporate earnings reports. In reality, however, the motivation for many contributions to the United Fund and similar piggyback charities has little to do with altruism. Instead, many contributions are inspired by pressure at the office. While "I gave at the office" has long been one of those standard gag lines found in any comedian's repertoire, there is something significant about the growth of on-the-job charitable contributions.

Part of the reason for the change is demographic. Fund-raisers know that being solicited by a friend is far more effective than being dunned by a stranger. That's why many charities have traditionally relied on door-to-door solicitations in every neighborhood. But this tradition is dying as cohesive neighborhoods have given way to tract subdivisions, where few know who dwells in the next cul-de-sac. Moreover, the increasing number of women in the labor force means that the "lady of the house" is rarely home during the day when the Heart Fund or the Cancer Society comes to call. And evening doorbell ringing has fallen victim to the fear of crime and the general climate of suspicion that exist in so many neighborhoods.

As a consequence, large offices have become increasingly fertile territories for fund-raisers, with many employees contributing out of fear that stinginess will be remembered at promotion time. It is hard to assess how much direct coercion is involved

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in these on-the-job appeals. United Fund rules expressly forbid direct pressure on employees to contribute, but in reality there is little that they can do to curb these inevitable practices. In fact, they subtly encourage corporate shakedowns by appointing the heads of large corporations to the Fund's board, making a company's failure to meet its quota a social embarrassment for the boss. One United Fund official recounted calling the head of a large department store to remind him that on-the-job blackmail was contrary to official policy and being told by the self-made executive: "You've given me a quota. And I guarantee you we'll make it. How we do that is my business. But let me tell you, I've never failed at anything in my life and I'm not going to start now." The official, in telling me the story, asked by implication, "What could the United Fund do? Not accept that company's contribution?"

It is indicative of the changing patterns of American altrusim that programs for the retarded and aid to the physically handicapped have emerged as some of the most popular charities. Although unquestionably worthy causes, mental retardation and physical disability, unlike social problems like poverty, are generally considered to be "acts of God" and cut entirely across class lines. No matter how insulated your neighborhood or how sheltered your life-style, virtually everyone knows someone who has the burden of caring for a retarded child. This means that we are apt to develop some sense of the effectiveness of various local agencies for the retarded through casual conversation. There is no greater incentive to contribute to a local charity than the knowledge that they are helping someone we know. That's why it is so much easier to support middle-class charities like the Boy Scouts or the Little League than to channel our aid to the increasingly anonymous agencies that have the unenviable task of caring for the poor. In an earlier era when neighborhoods were more heterogeneous, it was possible to know the names of poor families who were receiving the benefits of charity. Even in staunchly middle-class neighborhoods, the rigors of unemployment and sudden illness often made charity a real and tangible thing. But with the development of government programs like unemployment insurance and workmen's compensation, this kind of direct aid to stricken members of the middle class is increasingly limited to the victims of floods and other natural disasters.

With the poor increasingly out of sight and mind, it is very easy to inadvertently emulate the President's approach to charity—either by neglecting to give at all or by tossing coins mindlessly into the fountain of such middle-class causes as the United Fund. It is tempting to moralize and say we should each take the responsibility of investigating non-traditional avenues of charitable giving, but the absence of time to do this kind of research quickly becomes a convenient excuse to postpone writing any checks at all. Rather, private institutions, like foundations, should take the lead in developing mechanisms to assess the effectiveness of various charities. Foundations are mentioned with some trepidation because while they have more than enough resources to do the job comprehensively, there is the ever-present danger that their analyses may end up reflecting the values of McGeorge Bundy and John D. Rockefeller. More than just reviewing their fiscal affairs (some of the most effective store-front charities have financial practices that would make Maurice Stans blush), such an evaluation should emphasize the charity's impact in human terms on the community it purports to serve. America is rare in having developed such a widespread tradition of non-religious giving. At a time when liberal illusions about government's ability to eradicate poverty are fading, the more than $16 billion Americans contribute to charity annually is far too important a national resource to squander. ●

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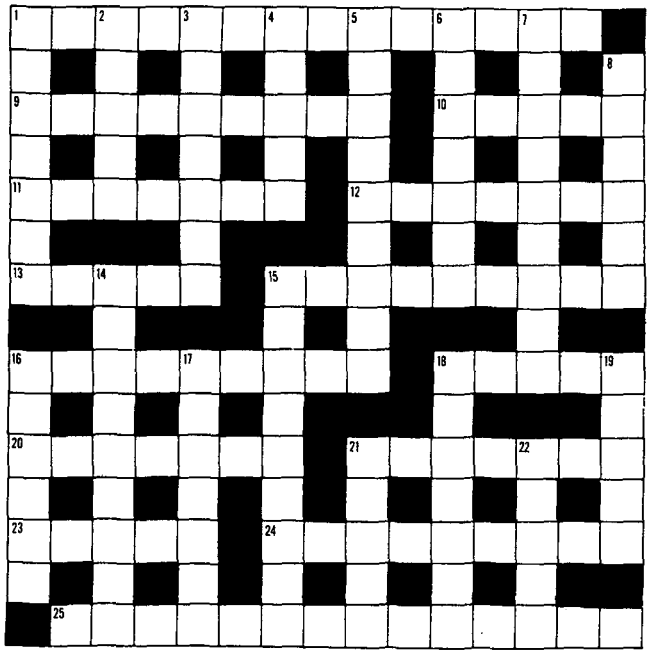
the political puzzle

by John Barclay



Across

1. Rockefeller or Agnew, for example. (6, 8)
9. Tom scared them with his medical history. (9)
10. Small part of antithesis. (5)
11. Slanter of beach houses. (7)
12. Ace made dean's list here. (7)
13. Looks nimble in sunlit heroics. (5)
15. Responses to acorn site. (9)
16. Seethed when fender met fender. (9)
18. Who says I'm not in North Dakota? (5)
20. You can get mono by the bay. (7)
21. United Nations in 3002, all mixed up and at lowest level. (7)
23. What is Val to use to speak? (5)
24. The last Latin does not exist. (4, 2, 3)
25. A ghastly diving arrangement saves fuel. (8, 6)

Down

1. Union has DAR feel. (7)
2. This type is to the manor born. (5)
3. Leave North Carolina completely surrounded. (7)
4. Pot between crab and hopper? (5)
5. Eyedrops, perhaps? (6, 3)
6. About pamphlet—pull it back! (7)
7. How ten-ton Tony spent nights out. (2, 3, 4)
8. Our editor fades. (6)
14. Was Miss Muffett disturbed by aunt and altar? (9)
15. Put particle in rank to spread supply. (9)
16. This arrangement of a sum is well-known. (6)
17. How can alley be half a confrontation? (7)
18. Home to Chet and Mike. (7)
19. Get mail moving, and some of this may disappear. (4-3)
21. Artist appeals to men, and women. (5)
22. Coming up from Florida I hurt people badly. (5)

The numbers indicate the number of letters and words, e.g., (2, 3) means a two-letter word followed by a three-letter word. Groups of letters, e.g., USA, are treated as one word. Answers to last month's puzzle are on page 46.

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From Korea With Love

Diana H. Walker

by John D. Marks

The two most widely seen faces in American cities today may well belong to the 15-year-old Indian guru named Maharaj Ji and a 53-year-old Korean prophet named Sun Myung Moon. Followers of these two men energetically force leaflets on innocent pedestrians and hang their leader's picture in fierce competition for poster space (and converts). Their success in littering the urban landscape may herald a new form of religious pollution.

The Indian, who calls himself the "Perfect Master," seems to have reached a plateau of sorts in November, when he failed to fill even half of the Houston Astrodome for a declaration of "a thousand years of peace." In any case, the faith he preaches—despite its appeal to former radical activists like Rennie Davis—is essentially spiritual, not political, in nature. His movement may be diverting energy from progressive causes, as *Ramparts* magazine has charged, but even the most bitter critics do not contend that the guru is interested in influencing American foreign policy or supporting the President on Watergate.

Directly in contrast, Sun Myung Moon interweaves politics and religion in the best tradition of the medieval popes. His Unification Church operates a vast network of affiliate organizations in over 40 countries, under the distinctly temporal banner of the International Federation for Victory over Communism. With the formidable task of selling a new messiah to the world, the Moonies (or "the Family" as they call themselves) are extremely media-conscious. Perhaps for this reason the American branch of the Victory over Communism effort has taken on the less strident title of the Freedom Leadership Foundation (FLF).

Political activities in this country are not nearly as developed as those in

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South Korea, where Moon operates a training school to which the government annually sends hundreds of thousands of civil servants, local officials, and military men for a course in militant anti-communism. Even as other Korean religious leaders have turned increasingly against President Park Chung Hee's authoritarian rule, Moon has stayed an enthusiastic backer of the regime. Moon's avowed interest is in fighting communism, not preserving democratic niceties, and, as FLF Secretary General Gary Jarmin asserts, "Even if Park got more dictatorial, we would support him."

Jarmin is a 24-year-old ideologue who has the earnest, well-scrubbed, closely cropped look that I learned to expect in meeting Moonies. He would like to recreate in the United States—*a la* General Edwin Walker—the kind of indoctrination system that Moon runs in Korea. "I disagree with our military," says Jarmin. "They teach our GIs how to kill but don't give them enough ideological training in the nature of communism."

Before Secretary General Jarmin is brushed off as a youthful extremist, it should be noted that by Moonie standards he is nearly middle-aged. The movement's American president, Neil Salonen, is only 28, and virtually all of the sect's 2,000 "core" members are in their early to mid-twenties.

Potential converts come to the sect largely from the ranks of disaffected young people, and there is no shortage of those. They exist all over the country—chafing under an unhappy lifestyle and looking for meaningful purpose in life. Whether they feel let down by their parents' generation, by organized religion, by conventional or radical politics, by the counterculture, or whatever, a messianic religion like Sun Myung Moon's offers something to believe in—at a time when credible institutions are in short supply. Older persons may share the same doubts, but they tend to be less willing to open themselves up to a radical new set of beliefs.

So far, at least, only the young have been willing to make the full-time commitment that the sect demands and move into the communal living centers where the Family lives in all 50 states. Being a Moonie is not easy: forbidden in practice, if not by formal rule, are smoking, alcohol, and drugs. Absolutely taboo is premarital sex, which Moon rails against as "fornication." Even marriage between believers is a difficult proposition, since new converts are generally expected to have been in the sect for three years and to have achieved a high state of spiritual "perfection" before they wed.

For what does the Family make these sacrifices? Nothing short of "the kingdom of heaven on earth," as promised to it by its leader, who claims to have found the way through a series of revelations he received from Jesus Christ between his sixteenth and twenty-sixth birthdays. The sect's bible, called *Divine Principle*, is the fruit of these "revelations," and it tells how God's original plans for a perfect world fell apart when the archangel Lucifer (Satan) entered the Garden of Eden, seduced Eve, and thus caused the "spiritual fall of mankind." With the forces of the devil on the ascendency, Moon doctrine teaches, God tried to recoup by sending Jesus, "the second Adam," to earth to marry, have "perfect" children, and kick off the messianic age. But Satan won again, and, contrary to God's intentions, Jesus was crucified. Now, the new messiah has come to "fulfill" the promise of the Old and New Testaments.

As for the identity of that messiah, *Divine Principle* does not give his name, except to say that he was born in Korea, "the new Israel," in the years after World War I. Ask a believer if Moon (born in 1920) is the one, and there is a standard reply: "Many of us believe that Reverend Moon is the messiah, but we consider this a personal matter." Moon, for his part, is perfectly aware that "many" of his followers regard him as the messiah, and he has apparently never made any

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attempt to convince them that this is *not* the case.

Divine Principle is more explicit about the reasons for the sect's fierce opposition to communism, giving an analysis strikingly similar to the views of the late John Foster Dulles. In a lecture on the doctrine, Michael Beard, one of their preachers, explains that there are only two major blocs on earth, "the Communist and the Free Worlds," that they are locked in a "Cain and Abel-type" conflict, and that communism represents the forces of Satan. The fact that Moon's "revelations" reflect this early Cold War simplicity may be accounted for by the virulent strain of anti-communism to which he was exposed in Korea for over 20 years and also by Moon's own imprisonment by the North Koreans for several years prior to 1950 (just as the *Divine Principle*'s reliance on intricate diagrams and concepts like "the law of polarity" to explain all relationships may reflect Moon's training as an electrical engineer).

Moon Over Moscow

For whatever reason, the sect's Freedom Leadership Foundation opposes detente and works to "roll back the Iron Curtain." Secretary General Jarmin explains, "If we're willing to fight to the death to protect ourselves from communism, we should be willing to fight to the death to free other people, whether in Vietnam, Cambodia, or elsewhere." He confides in a conspiratorial voice: "Although we don't proclaim it, we're talking covertly about smuggling our ideology and materials into communist countries."

In its four years of existence, the FLF has started a number of programs which, while not coming anywhere near the ultimate goal—"Victory over Communism"—still are impressive in scope. Its specific target is the Marxist "enemy within" as well as the threat from abroad, and its three main areas of activity are:

1) The World Freedom Institute. This is the "educational and training arm" of the FLF, and it offers programs, courses, and seminars to train students and other young people "in techniques to overcome Communism in the way it is working hardest in America—ideologically." The group plans an "international training center" in Washington and is already active on over 20 campuses. It worked closely with another Moonie group, the Committee for Responsible Dialogue, which up to a year or two ago attempted to "confront the negativity and falsehood of the radical left" on campus by organizing debates between leftist leaders and conservative spokesmen such as Senator William Brock and Representative Philip Crane. A related group in which the FLF as a whole was a leading participant was the American Youth for a Just Peace, which supported Administration policy in Vietnam and sent delegations of American youths to counterweight (in theory) the work of the anti-war movement.

2) *The Rising Tide*. This is a biweekly newspaper in its third year of publication which prints Moon's position on various foreign policy issues, publicizes dissidence in communist countries, and generally puts out news with a rightist slant. (The causes they support are not necessarily rightwing, but their approach to them certainly is. For example, not only does the FLF bumper sticker urge the viewer to "Free Soviet Jewry" but also to "Free Russia from Communism.")

3) Lobbying. According to Jarmin, the FLF is "already spending a lot of time on the Hill trying to influence" congressmen and senators on national security issues. Since the FLF (as well as the Unification Church) is a non-profit, tax-exempt organization under the Internal Revenue Service's rules, it is forbidden to actually lobby for specific legislation, but Jarmin states it carries on "educational" programs especially for legislative aides. And soon, according to Jarmin, the FLF intends to spin off a separate, new organization which

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will carry on direct lobbying and support selected political candidates.

The FLF spends about $50,000 to $60,000 a year, not including the labor costs of its eight full-time employees (who receive no salary and who, as "core" members of the Family, live together in their own communal center, with Jarmin serving as their spiritual as well as temporal leader). Jarmin maintains that most of the FLF's funds come from private donations and contributions from the parent Unification Church. He says there are 5,000 FLF members, including the 2,000 hard-core Moonies whose names were automatically inscribed on the organization's rolls when they joined the Unification Church.

Several rank-and-file Family members with whom I talked had no idea that they also belonged to the FLF, and indeed were almost totally ignorant of the movement's political side. In listening to roughly 12 hours of religious lectures at a weekend workshop designed to attract new recruits, I heard no mention of any of the group's political activities. What came across after a weekend's total immersion in the faith was an organization full of sincere people working feverishly to raise the spiritual level of mankind—not a political action group.

When I questioned Jarmin on why the political aspect of the movement was not mentioned, he admitted the omission was no accident: "People who attend the workshops have more concrete ideas about politics than about religion," he said. "We try to avoid politics. If we came on strong about Vietnam, it would chase people away. Our anti-communism is religious, so until we convince people of a belief in God, it is to our disadvantage to politicize."

From Anarchy to Apocalypse

I saw what he meant when I talked to Jeff, a thin, extremely intense young man who earlier had searched for spiritual fulfillment in the leftist Catholic Worker movement and in a monastery for nine months. A week before I met him, he had attended a two-day Family workshop—his first formal contact with the movement—had liked what he had heard, and "moved right in" to a communal living center. He admits to having been bothered by what he calls the "anarchy" of the Catholic left, and now he enthusiastically embraces the rigid discipline and absolute certainty of his new faith. He had seen the world in an "apocalyptic" state, but *Divine Principle* has convinced him that these "last days" were simply the prelude to the messianic age. Now his spiritual doubts have vanished, although he concedes "at first it hurt my intellectual pride that it was all so simple."

Jeff was long active in the anti-war movement and on one occasion was arrested for protesting outside the Pentagon—while his Marine officer father worked inside. When I spoke to him he was a week into his career with the Family. He asserted he was still a radical but admitted he knew little about the politics of his new religion. In any case, he doubted that the Family is "real conservative" and is sure, for example, that it would have opposed the coup d'etat against the Allende government in Chile. (In fact, the September 24 issue of the *Rising Tide* newspaper extols the "inevitable end" of the Allende presidency.) When pressed about any inconsistency between his vehement opposition to the Vietnam war and Moon's strong support of it, Jeff declared in exasperation, "All I know is that this is my calling."

That Moon's religion comes complete with its own brand of right-wing politics seems to bother only outsiders. Once newcomers are fully converted, they are all-accepting about every aspect of the sect. If Jeff turns out like the others I met, he will be that way after a few more weeks with the Family. Soon, perhaps, he will dismiss questions about Vietnam and South Africa as "irrelevancies," the

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way former SDSer Felice Walton did to me. "What is important," she declared, "is *Divine Principle*."

Presumably in keeping with *Divine Principle*, Moon took out an immigrant visa and moved permanently to this country in 1972. Working out of a posh, 22-acre estate in Tarrytown, New York, he apparently intends to use America's potential as the Free World's most powerful and god-blessed nation as his base for establishing the "kingdom of heaven on earth." His effort moved into high gear in October when he launched a 21-city speaking tour, and his followers believe he is now making great progress in winning American hearts and minds.

But Moon's travels have shown him "a troubled land [in] moral and spiritual decline. . . mortally wounded in spirit and soul by the tragedy of Watergate." Moon says he hesitated to speak out, recognizing he was not an American citizen and waiting for "some great spiritual leader or evangelist [to] rally America around God above the Watergate." But even Billy Graham remained quiet, so on November 30, Moon issued a personal statement on the scandal. Declaring that "God is testing America through the Watergate problem," Moon said:

> This nation is God's nation. The office of the President of the United States is, therefore, sacred. God inspires a man and then confirms him as President through the will of the people. . . . At this time in history God has chosen Richard Nixon to be President of the United States of America. Therefore God has the power and authority to dismiss him. Our duty, and this alone, is that we deeply seek God's guidance in this matter and support the office, itself. If God decides to dismiss this choice of His, let us have faith that He will speak.

Dan Fefferman, 25, and a former student and anti-war activist at Berkeley, is director of Moon's National Prayer and Fast for the Watergate crisis. In an interview, Fefferman asserted that while the Family is "not taking any stand on the President's innocence or guilt, we do feel he should be considered innocent until proven guilty. The attitude of some sectors of the American public and press has been just the opposite." Stating that "Nixon is being made a scapegoat" and that "Watergate is tearing the country apart," Fefferman concluded that the scandal "inhibits the ability of government to move forward on issues such as the Mideast and the energy crisis."

While these words may sound like they were written by Ron Ziegler, Fefferman insisted that the Moonie effort is non-partisan and in support of the presidency, not the man. "We're not taking a political stand," he said, "but we have to recognize that any social action has political overtones." In this spirit, six members of the Family have been regularly "visiting" congressional offices of both parties and asking the legislators to sign a petition in support of Moon's Watergate "forgiveness" statement. "We're tax exempt, but we can lobby about attitudes," Fefferman asserted.

At the end of the year, this effort had been endorsed by four conservative Republican senators (Curtis, Fong, Hansen, and Thurmond) and 28 congressmen (mostly from the Republican right). Additionally, they have launched a seven-day public fasting campaign on the Capitol steps as part of the larger 40-day Prayer and Fast, and have tried without too much apparent success to organize interfaith support in their behalf.

And Then the Red Sea Parted

On December 13, hundreds of Moonies—self-described as "well-dressed and prayerful"—rallied in front of the White House "to lift the spirit of the President," bearing signs reading "SUPPORT THE PRESIDENT" and "GOD LOVES NIXON." Shortly after 11:00 p. m., the President himself appeared to greet the Family. They knelt down when he came near and, according to Fefferman, "Mr. Nixon seemed moved." After a warm exchange of greetings,

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the Family joined hands and blocked traffic on Pennsylvania Avenue so the President could return home. Jamie Canton, yet another earnest young man, who bears the title Assistant Director of the Media Team for the Watergate Crisis, describes, somewhat in awe: "We stopped the world for him and he passed between us."

According to Fefferman, Moon took money from his own personal funds to buy the numerous newspaper ads used to spread his Watergate gospel. The Unification Church—tax-exempt organization that it is—has since assumed the media cost, which the sect's 25-year-old financial advisor, William Torrey, says has amounted to $72,000. Altogether, Torrey estimates that the Church is currently operating on about a $3-million annual budget, not including the cost of supporting the 2,000 "core" members who must be housed, fed, and clothed—at a conservative estimate of another $5 million a year.

Where does all this money come from? Well, until recently, Torrey claims the main source of income has been the hawking of decorative candles, followed by the contributions of about 2,500 sympathizers—but not "Family members"—who live and work outside the church.

As incredible as it may seem, in 1972, when a down payment was needed for the $850,000 estate-headquarters in Tarrytown, every Family member in the entire country—then about 1,500—dropped all other work and went out to sell candles for 40 days straight. Torrey reports this saturation campaign netted close to $500,000.

However, as with other sectors of American life, the energy crisis has changed things—by making paraffin for candles scarcer and more expensive—and the Family has now switched from candles to hand-filled terrariums for their principal sales item. These little glass-enclosed rock gardens take a great deal of effort to make, but the 2,000 American Moonies are a ready source of free labor. Their dedication is such that they work (and study and proselytize) seven days a week, without indulging themselves in what the rest of us call leisure activity.

But even their herculean effort at street peddling has its limits. While financial advisor Torrey claims that this technique, coupled with the contributions from fellow travelers, covered the rapidly expanding budgets of the last few years, he believes the sales now have about saturated the market. Already the Family is planning to move into labor-intensive businesses like house painting and cleaning. Moreover, they have opened a tea house in downtown Washington and hope to expand to other cities.

From the Family's point of view, tea houses are ideal—they make money and they bring customers into a congenial atmosphere where the general pleasantness thrown off by almost all Moonies (or at least the 15 or so I met) is a lure for potential converts. Moreover, the tea houses are an outlet for the ginseng tea which is exported from Korea by a company controlled by none other than Sun Myung Moon.

Moon's River of Riches

While Moon's American operation is largely limited to penny-ante capitalism, in Korea he is a virtual conglomerate holding, besides the tea business, air rifle, pharmaceutical, titanium, and still other companies. His empire is worth well over $10 million, but Torrey insists that all profits go into the Unification Church and affiliate organizations.

Torrey may well be correct, but there are those who do not think so, especially in the Korean exile community. Lee Jai Hyon, who was a top diplomat in South Korea's Washington embassy until opposition to the Park regime caused him to defect to the U. S. in June, 1973, equates Moon with another Korean messianic leader, Park Tae Sun, who, Lee says, also raised large sums of money from fanatic believers and grew rich from

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his business holdings. Lee and his colleagues in the Korean democratic opposition see Moon as an opportunist who has supported the present government in return for personal gain.

The Park Chung Hee regime of course welcomes the backing offered by Moon, but its interest in his movement may well extend into the murky world of espionage. According to both Lee and State Department sources, the Korean government is actively concerned about improving its dictatorial image in this country, and they do not doubt that its intelligence organization, the Korean Central Intelligence Agency (KCIA), has on occasion secretly subsidized ostensibly private organizations for this purpose—just as the American CIA has done for the last 26 years.

The KCIA has in fact grown up in a skewed mirror image of its American big brother. It even suffered its own Bay of Pigs last year when it got caught, after the fact, kidnapping Kim Dae Jung, the losing candidate in the 1971 presidential election, from a Tokyo hotel room and spiriting him to Korea. Not known for its subtlety, the KCIA's harassment of Korean residents in the U. S. became so blatant in 1973 that the State Department ordered an FBI investigation of KCIA activities in this country and complained on at least half a dozen occasions to the Korean government. What is more, the KCIA is involved in virtually every aspect of Korean life, and it would be unusual if its interest did not extend to a burgeoning religious/political movement run by a Korean who supports virtually all of its goals and who is in a position to work and lobby for its government's position on the American political scene.

And Moon would have to be on good terms with the KCIA, or else he would not be permitted to operate his anti-communist school for Korean government employees. As Richard Halloran reported in *The New York Times* on August 20, 1973, one of KCIA's bureaus "is in charge of internal propaganda and anti-communist indoctrination" in Korea, and Moon would not continue to hold the training franchise if he refused to cooperate.

If there is any intelligence connection between Moon and the Hee regime, it is almost certainly limited to the very top level of the Moon organization and probably involves the organization in lobbying or public relations work for the Korean government—and not intelligence collection.

None of the American Moonies would be likely to know of any intelligence relationship. Their interest in the movement comes from Moon's charismatic appeal and the message of salvation he preaches. For most, his political ideas had little or nothing to do with their conversion. In fact, the rank-and-file Family members do not even seem to know that they belong to a right-wing pressure group, and those who are knowledgeable firmly believe that the movement's politics are completely in line with god-given *Divine Principle*.

It would be wrong to take the Family too seriously as a political movement, but the ease with which its young members have overlooked or accepted the group's political aims may have its importance. We have for some time been in an era of retreat from politics into personal fulfillment and spiritual concerns, somewhat like the 1950s retreat into career. It's attractive for those in retreat to assume that politics will mind itself during their absence, or at least have the courtesy not to come bothering them in their new interests. The standard complaint against movements like Guru Maharaj Ji's is that they distract people from all political concerns. But as Moon's story shows, politics can chase them down and, when they're not looking, put them on the wrong team. When you can't even count on religion to ignore politics, then it is time to pay attention to the political beliefs of the religious. ■

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political book notes

Public affairs books to be published in February

The American Food Scandal: Why You Can't Eat Well on What You Earn. William Robbins. Morrow, $7.95.

Armageddon in the Middle East. Dana Adams Schmidt. John Day, $8.95. As instant history goes, this account of the 1973 Mideast war by the *Christian Science Monitor*'s correspondent is quite solid and respectable. For those who have given up reading about the latest treaty disputes, the book's last section does a fine job of explaining the impasse and the underlying hatred.

Bertrand Russell's America: Volume 1: 1896-1945. Barry Feinberg, Ronald Kasrils. Viking, $12.50.

The Chicanos: Life and Struggles of the Mexican Minority in the United States. Gilberto Lopez y Rivas. Monthly Review, $7.95.

Citizen Participation and the Urban Policy Process. Robert L. Cole. Heath/Lexington, $12.50. While equipped with all the pedantic baggage of a standard doctoral dissertation, this quantitative survey of Midwestern neighborhood participation programs contains some interesting factual insights about the much discussed, but little studied, question of community control. According to Cole, the results of current decentralization efforts are decidedly mixed. For example, his finding that the participants were clearly unrepresentative of their neghborhoods raises the very real possibility that neighborhood self-government would generate its own unresponsive elite. Although these programs often have few concrete accomplishments, Cole found that they do significantly increase the participants' trust in government. Many armchair observers have taken great pains to distinguish between symbolic participation and real decision-making power. But Cole seems to indicate that the psychic rewards of participation (for the few who took part) are rather similar despite vast differences in the autonomy of the programs he analyzed.

The History Makers: Leaders and Statesmen of the 20th Century. Lord Longford, Sir John Wheeler-Bennett, eds. St. Martin's, $10.95.

How to Get to the Future Before It Gets to You. Shepherd Mead. Hawthorn, $6.95.

Inquiry into the Human Prospect. Robert L. Heilbroner. Norton, $5.95.

Israeli Ecstasies/Jewish Agonies. Irving Louis Horowitz. Oxford, $7.50. This collection of

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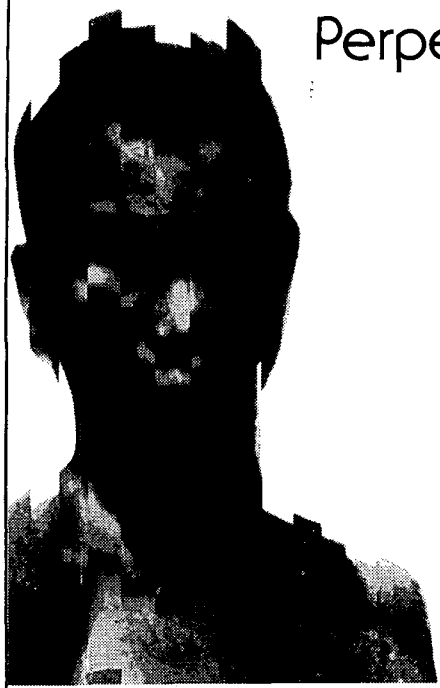

Life, Liberty, and the Perpetuation of Slavery...

Racism is as deeply rooted in American history as the Declaration of Independence: this is the thesis of Winthrop D. Jordan's provocative new book. Derived from his award-winning study, **White Over Black: American Attitudes Toward the Negro 1550-1812**, it provides an historical perspective essential to an understanding of this crucial aspect of the American character.

THE WHITE MAN'S BURDEN

Historical Origins of Racism in the United States

by Winthrop D. Jordan

256 pages. Cloth. $8.95.
Paper (a Galaxy Book). $1.95

OXFORD UNIVERSITY PRESS 200 Madison Avenue New York, N.Y. 10016

12 essays by the distinguished editor of *Society* contains among other things some interesting observations on the growing conservatism of Jews and concludes with an especially thoughtful discussion of political terrorism.

Journey Among the Economists. Arrigo Levi. Library Press, $7.95.

The March of Socialism. J. Alvarez del Vayo. Hill & Wang, $12.50. The author was Republican Spain's last foreign minister before Franco took over, and as a political figure he deserves great respect. This book is an unfortunate form of commemoration, for it succeeds neither in tying 2,000 years of history (from Spartacus through Mao) into a coherent theory of socialism, nor in grappling with some of the dilemmas of modern socialism and communism. In his attempt to fit everything into a theory, del Vayo brutally simplifies his material. He can talk about Right vs. Left anywhere in the world, much as American diplomats used to speak about the monolithic Communist World.

Me and Other Advertising Geniuses. Charles Brower. Doubleday, $6.95.

Plain Speaking: An Oral Biography of Harry S. Truman. Merle Miller, Putnam, $8.95. With a man like Jerry Ford just an impeachment vote away from the Presidency, it is understandable why the time seems ripe for a Harry Truman Renaissance. Any book —even a Book of the Month Club selection— that includes observations like "Nixon is a shifty-eyed, goddam liar" can't be all bad. But outside of these pithy hatchet jobs (and most of the really good lines about MacArthur and Eisenhower have already appeared in newspaper articles about the book), this "oral biography" has relatively little to offer. Merle Miller is the kind of fawning questioner who can say with a straight face, "Mr. President, it constantly amazes me that you always seem to know the right thing to do." And while Truman's decisiveness and lack of pretense have a great appeal in these troubled times, even genuine humility begins to cloy after 432 pages.

Population, Capital, and Growth. Simon Kuznets. Norton, $11.95.

Power and the Structure of Society. James S. Coleman. Norton, $6.95.

Sexist Justice: How Legal Sexism Affects You. Karen DeCrow. Random House, $7.95.

Soviet Conquest from Space. Peter N. James. Arlington House, $8.95.

Women and Success: The Anatomy of Achievement. Ruth B. Kundsin, ed. Morrow, $7.95.

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Presenting The Invisible University

Once upon a time, we used to try to stuff all of our learning experiences into neat little boxes.

The spatial boxes were classrooms and the time boxes were labeled Grade School, Junior High, High School, and College.

But now we're breaking out of the boxes (perhaps because we felt we were suffocating) and finding new learning adventures all around us, all our lives.

Television documentaries, book clubs, paperbacks, magazines, 16mm films and cinema verité, correspondence courses, talking tape cassettes, museums going show business—all are part of an "invisible university" that permits any interested citizen to share in the joy of discovery with today's scientists and thinkers.

We're finding out that you don't have to have a college degree to be an educated person—and that you don't have to stop educating yourself after you get one.

This may explain the phenomenal growth of the fairly new monthly magazine Psychology Today. In just five years, it has zoomed up out of nowhere to a circulation well over 850,000 monthly copies.

Psychology Today was introduced to bridge the gap between the laboratory and the living room, the professional and the educated layman.

Each month it presents the views and findings of pioneering professional researchers and thinkers, including leaders like Carl Rogers, Bruno Bettelheim, Margaret Mead, Erich Fromm, Harvey Cox, John Lilly, B. F. Skinner, Kenneth Keniston, Herbert Marcuse.

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Traditionally, in many college subjects, you had to grind for a year or two through agonizingly dull basics before you got to "the good parts." In Psychology Today you start out with "the good parts"—the fascinating, illuminating contemporary discoveries about who we are, why we act as we do, and how we can change.

Here are a few topics under recent discussion in our section of "the invisible university" . . .

Does sports activity really build character?

Can a psychological test predict your success in business? In investing?

Why do fat people eat even when they're not hungry?

How might psychology have prevented the Vietnam war?

Why do many bright, capable women in business have a will to fail?

Can three people be happily married —to each other?

Does "the screaming" cure really work?

How can income tax forms be made foolproof?

Can a chimpanzee learn to read and write?

Can criminals be rehabilitated through brainwashing? (And *should* they?)

Can fingers see color?

Why do we expect beautiful people to be smarter?

Should we teach children to read the way pigeons are taught to play ping pong?

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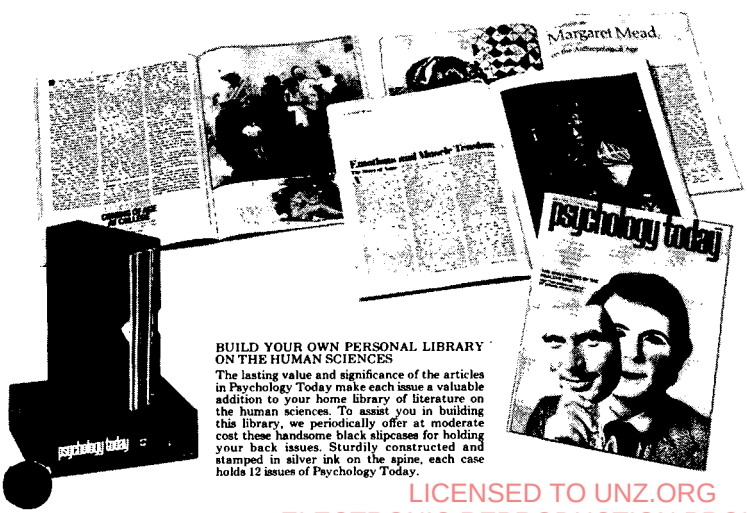

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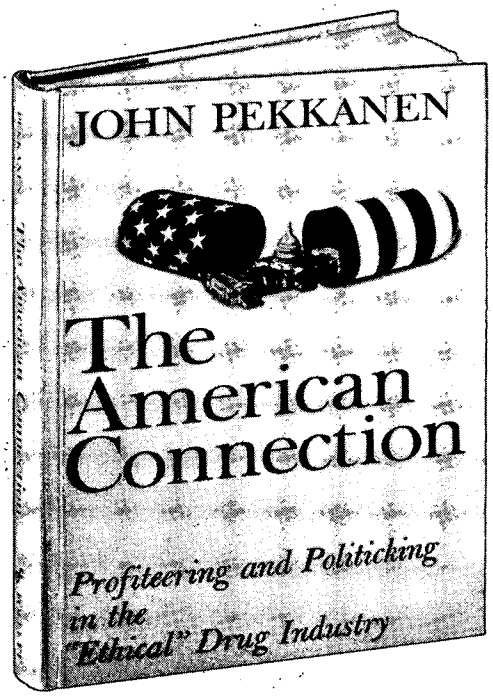

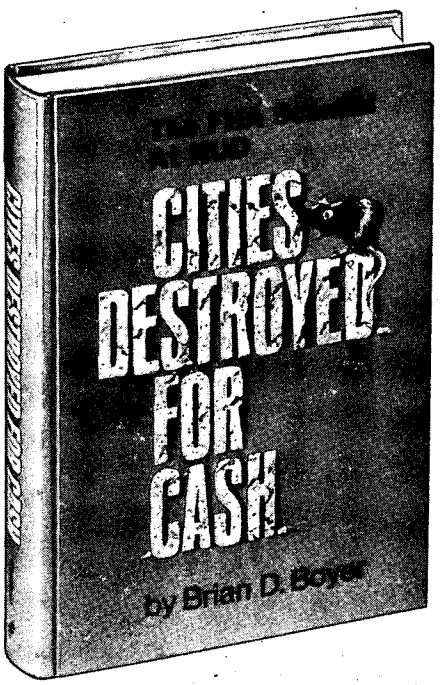

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